

**CITY OF SHOREVIEW  
AGENDA  
REGULAR CITY COUNCIL MEETING  
January 7, 2013  
7:00 P.M.**

**CALL TO ORDER**

**PLEDGE OF ALLEGIANCE**

**ROLL CALL**

**OATH OF OFFICE**

**STATE OF THE CITY ADDRESS**

**APPROVAL OF AGENDA**

**PROCLAMATIONS AND RECOGNITIONS**

**CITIZENS COMMENTS** - *Individuals may address the City Council about any item not included on the regular agenda. Specific procedures that are used for Citizens Comments are available on notecards located in the rack near the entrance to the Council Chambers. Speakers are requested to come to the podium, state their name and address for the clerk's record, and limit their remarks to three minutes. Generally, the City Council will not take official action on items discussed at this time, but may typically refer the matter to staff for a future report or direct that the matter be scheduled on an upcoming agenda.*

**COUNCIL COMMENTS**

**CONSENT AGENDA** - *These items are considered routine and will be enacted by one motion. There will be no separate discussion of these items unless a Councilmember or citizen so requests, in which event the item will be removed from the Consent Agenda and placed elsewhere on the agenda.*

1. December 10, 2012 City Council Workshop Meeting Minutes
2. December 17, 2011 City Council Meeting Minutes
3. Receipt of Committee/Commission Minutes—
  - Economic Development Authority, December 10, 2012
  - Planning Commission, December 13, 2012
4. Verified Claims

5. Purchases
6. License Applications
7. Variance Appeal—Extension of Review Period to 120 Days, 1648 Lois Drive
8. Conditional Use Permit (Detached Accessory Structures)—Extension of Review Period to 120 Days, 1000 Oakridge
9. Amend Public Hearing Dates for CP13-01A, CP13-01B and 12-04
10. Authorize the Replacement Purchase of Units 106, 403 and 580D Mower Tractor and Paver

### **PUBLIC HEARING**

11. Public Hearing—Proposed Modification of Municipal Development District No. 2, Establishment of Tax Increment Financing District No. 8 (A Redevelopment District) and Related Adoption of a Tax Increment Financing Plan, and Approval of a Tax Increment Development Agreement – Lakeview Terrace Project (Midland Plaza Redevelopment)

### **GENERAL BUSINESS**

12. Issuance of Bonds
  - A. Authorize Issuance and Sale of \$4,150,000 General Obligation Bonds, Series 2013A
  - B. Authorize Issuance and Sale of \$3,555,000 General Obligation Refunding Bonds, Series 2013B
13. Receive Feasibility Report for Grove, Gaston, St. Albans Neighborhood Watermain Extension, CP 13-03 and Call for Public Hearing
14. Designation of Legal Newspaper for 2013
15. Committee/Commission Reappointments
16. Council Appointments for 2013

### **STAFF AND CONSULTANT REPORTS AND RECOMMENDATIONS**

### **SPECIAL ORDER OF BUSINESS**

### **ADJOURNMENT**

**\* Denotes items that require four votes of the City Council.**

**SHOREVIEW CITY COUNCIL WORKSHOP MEETING  
MINUTES  
December 10, 2012**

**ATTENDEES:**

City Council: Mayor Martin; Councilmembers Huffman, Quigley, Wickstrom and Withhart  
Councilmember-Elect Emy Johnson

Staff: Terry Schwerm, City Manager  
Mark Maloney, Public Works Director

Legislative Senator Bev Scalze  
Representatives: State Representative Jason Isaacson  
State Representative Barb Yarusso

**CALL TO ORDER**

Mayor Martin called the meeting to order at 6:08 p.m.

**ROLL CALL:**

All Councilmembers were present.

**DISCUSSION WITH STATE LEGISLATIVE DELEGATES**

Mayor Martin thanked Shoreview's legislative delegation for attending this meeting to discuss important City issues in the upcoming legislative session.

**City Overview**

Shoreview is a community of approximately 26,000 residents. Every three years, Shoreview conducts a community survey through the services of Decision Resources, Inc. The last survey showed that Shoreview achieved the highest results of any municipality in the Twin Cities with a 98% approval rating. The Council has found that the community survey is the best way to find out what is important to residents, where the City is perceived to be deficient, and what things residents would like to see done differently. The same questions are asked each survey to be able to have a good track of the rating of each question.

Shoreview is home to Fortune 500 companies and big landmark companies, such as Deluxe and Wells Fargo. Other major companies in the City are TSI, PaR Systems, Cummins and PaR Nuclear.

Shoreview's Community Center is well-known and cherished. It was built with 68% voter approval on a referendum and has been the heart and soul for Shoreview for the last 20 years.

Shoreview's form of government is a City Council that hires one person who is the City Manager. The Council is not involved in hiring other department heads. The City Manager is the head of the City and carries out Council policy. It is more efficient to have one supervisor rather than employees having to report to the whole Council.

The City takes pride in its triple AAA bond rating, which was granted because of the long-range financial planning that has been done since the 1980s. Financial planning is a particular strength of Shoreview. There is a plan for anticipated infrastructure replacements 40 years out, which includes estimated costs and where the funds will come from for the work. The Council has dared to levy for funds, even if not needed in a certain year, in order to have funding available in the future.

Comparatively, the City's tax rate has historically been in the lower quarter of similar sized cities. Part of the reason is that the City contracts for police and fire protection, which is a huge savings. The City has many active committees, commissions, volunteers and community groups.

Shoreview believes that resources from the League of Minnesota Cities is important because the League works hard to represent cities throughout the State. Metro Cities focuses on general legislation and particularly on the Metropolitan Council.

The City also is a member of the Municipal Legislative Commission (MLC). Sixteen cities are members of the MLC, none of which receive any Local Government Aid (LGA). Mayor Martin invited each legislator to attend a breakfast that will be held February 8, 2013, at the League of Minnesota Cities building in St. Paul. It is an opportunity to share the legislative agenda of member cities in the MLC. The MLC focuses on tax policy, jobs, economic development and transportation issues.

Councilmember Withhart arrived at 7:20 p.m.

### **Legislative Issues**

City Manager Terry Schwerm stated that one key issue for Shoreview is transportation. Last year, Representative Scalze and Senator Runbeck partnered in legislation to push I-694 improvements between I-35E and I-35W and a new Rice Street bridge. The City has a business retention and expansion program through its Economic Development Authority (EDA) and often hears about transportation issues from businesses. Cummins has 600 employees. TSI built a 50,000 square foot addition with potential to hire an additional 180 employees. PaR Systems is building a 47,000 square foot expansion. Mead Metals is looking at an expansion. More efficiency is needed to get people to work in Shoreview. Businesses on Cardigan Road and Soo Street (TSI, Mead Metal) have a particularly difficult time because of the left turn onto Owasso Boulevard in order to access Rice Street. Cars can sit as long as 15 minutes, which is really affecting business and employees.

A second key issue is market value homestead credit, which has now been replaced with the market value exclusion program to hold down property taxes for moderate and low valued



homes. The idea of homestead credit was to give credit to the homeowner and then reimburse local government for that credited amount. Of the 10 years the program was in force, Shoreview collected the full reimbursement due only in two-three years. In most years, the City collected nothing. So the City was put in the awkward position of having to levy for the reimbursement that should have been paid by the State. A more transparent system was needed. The new market value exclusion is more transparent. Although there may be some effort to reinstate the market value homestead credit program, the League of Minnesota Cities and MLC do not support reinstatement. The market value exclusion program is a direct benefit to property owners without state reimbursements, most cities oppose reinstatement of the market value homestead credit program.

A third issue is property tax relief and LGA. Legislators will hear from cities to increase LGA. From Shoreview's perspective, this is not the best way to provide property tax relief. Relief would be better done through the circuit breaker program. The circuit breaker program provides property tax relief based on income. Anyone who has paid a disproportionate amount in property taxes can receive a property tax refund that goes to the individual rather than to LGA that goes to cities.

Senator Scalze noted that many more cities receive LGA than do not. There will be a big push this year to increase LGA, especially with the loss of market value homestead credit. Mr. Schwerm responded that there would be more direct benefit to taxpayers if that money were put into the school aid formula rather than local governments. It would buy down the school district levy, a benefit to all citizens in the district rather than just a few communities.

Mr. Schwerm stated that a third issue of concern is tax increment financing (TIF). TIF is a development tool that allows cities to capture property tax growth from new development. TIF is used for public improvements or as an incentive for development of certain types of property, usually industrial or manufacturing that will create jobs in the community. Shoreview has used the increased flexibility granted by the state in the last couple of years to aid business expansions, such as PaR Systems and TSI. The City leveraged TIF dollars to companies to help them invest in expansions. TIF is also used for housing development. A new senior housing complex just opened on Highway 49. TIF is also being used for a major apartment redevelopment at Midland Terrace on County Road E and Victoria, which will replace an outdated strip mall with a 104-unit upscale apartment building. This will add another housing choice within Shoreview.

Councilmember Quigley stated that Deluxe was the first major company in Shoreview, and TIF was a big part of bringing that company to the City.

Councilmember Withhart stated that the beauty of using TIF is that the money is paid back. Many projects are in the second go-around using the same money. Mr. Schwerm added that TIF is the only money available to cities for new development. It is the only real development tool available to cities.

State Representative Yarusso asked how Shoreview weighs in on the TCAAP property, which will make transportation issues urgent.

Mayor Martin stated that the City has been supportive of past redevelopment plans, specifically the Vento Plan and the Ryan Plan. Development of the TCAAP property will have a huge regional benefit if it is done right. Shoreview supports mixed use with housing, corporate, retail and recreational amenities. The City is not directly involved at this time and has not been asked to be. Shoreview does support state assistance for environmental clean up of the property.

Councilmember Huffman noted that Ramsey County is buying the property.

Mr. Schwerm stated that zoning of TCAAP is consistent with the Ryan Plan, which is mixed use that Shoreview supports. TCAAP has the potential to be a major community asset.

Mayor Martin encouraged legislators to keep communications open as plans go forward.

Documents were distributed to legislators on the City's community benchmarks. The City's tax rate with the school district and county is above the median. Yet in a comparison of similar sized cities, Shoreview is fifth lowest.

Mr. Schwerm stated that another issue legislators are likely to hear about is lake levels. Turtle Lake is being compared to White Bear Lake. Many characteristics of White Bear Lake and Turtle Lake are similar, but Turtle Lake levels respond more quickly when there are heavier than normal rainfalls. White Bear Lake has not. In the past, most lakes in Ramsey County were augmented, but not since 1989, when the DNR disallowed the practice. Public Works Director Mark Maloney added that a study of wells around White Bear Lake shows a significant connection between municipal water pumping and lake levels. That same finding has not been present at Turtle Lake.

Mayor Martin stated that Turtle Lake is impacted by a small watershed and drought. These were the same circumstances when it was decided to augment Snail Lake. There used to be wells at Lake Owasso and at White Bear Lake that pumped from the aquifer into lakes.

Mr. Schwerm identified another municipal concern with the Metropolitan Council, which more and more is looking at water as a regional system. A number of cities pump their own water and do not want the Metropolitan Council to regulate it. Water is becoming like the sewer system. Shoreview has spent millions of dollars on redirecting storm water from direct discharge into lakes to a street sewer system.

Mr. Maloney noted that the City has curtailed use of storm water pond treatment and storage because of the amount of sediment now sitting in ponds. The cost of getting rid of sediment after dredging is huge, and Shoreview has a moratorium on pond dredging until there is a better solution.

Mayor Martin noted that Public Works Director Mark Maloney was named City Engineer of the Year and would be an excellent resource for legislators seeking information on many issues.

Senator Scalze, State Representatives Isaacson and Yarusso each thanked the Council for this invitation to meet and for the very important information provided that helps them to learn how the City works.

## **REVIEW OF 2013-2017 STREET REHABILITATION AND RECONSTRUCTION PLAN**

### **Presentation by Public Works Director Mark Maloney**

There are three levels of classification in pavement management: 1) preventative maintenance, such as sealcoating and crack filling; 2) rehabilitation by full depth reclamation with emulsion; and 3) total reconstruction. Classification is based on a Pavement Condition Index (PCI) on a scale of 1 to 100, with 100 representing a fairly new pavement. The City's goal has been to pursue full depth reclamation strategy at a more moderate cost than to wait until streets need total reconstruction at a much higher cost.

Bonding has the benefit of being able to get out to a number of locations in the community and return the value back to the taxpayer rather than waiting until roads are so bad that a total reconstruction has to be done.

Councilmember Withhart stated that it would be helpful to have a map showing the streets that have been done and the ones for future work using the full depth reclamation strategy.

Mr. Maloney stated that Shoreview is the first city in Minnesota to use full depth reclamation and has set specification standards for the metro area. State statute requires that all projects be identified for the bond issue and that a public hearing be held. Nothing can be added once bids are received. The plan shows the City's street program to 2017 and how it fits in with other street spending. MSA street segments (higher volume streets that serve more than local traffic) are funded from MSA state gas tax dollars, which is 20% of Shoreview's street system.

### **OTHER ISSUES**

Mayor Martin stated that she would like to set a date for the Council to hold a goal-setting session.

Councilmember Quigley stated that he does not want the session to reinvent what the Council has already achieved but rather a session that builds from successes. Unfortunately, facilitators bring an agenda that is not particularly helpful and does not build on the momentum the City already has. He would like to see outcomes identified for the short term and long term and how to achieve them.

Mayor Martin agreed and stated that the Council has put its own structure around the work it has done together over the last 10 years. There is no need to go back to mission statements but a real need on how to move forward.

Councilmember Withhart stated that he wants to focus on how to keep Shoreview first class and how to keep that edge. The session should not be a critique of staff but how to set policy moving forward.

It was the consensus of the Council to tentatively schedule a goal-setting workshop for the February 2013 workshop date, February 10th.

The meeting adjourned at 9:10 p.m.

**CITY OF SHOREVIEW  
MINUTES  
REGULAR CITY COUNCIL MEETING  
December 17, 2012**

**CALL TO ORDER**

Mayor Martin called the regular meeting of the Shoreview City Council to order at 7:00 p.m. on December 17, 2012.

**PLEDGE OF ALLEGIANCE**

The meeting opened with the Pledge of Allegiance.

**NEWTOWN**

Mayor Martin stated that she feels compelled to break from the agenda a moment to express sympathy and support to all those families experiencing tragedy in Newtown, Connecticut. This is a tragedy that could have happened in Shoreview. It is her hope that all can work together to heal wounds and seek a safer world for our children and grandchildren. Let there be peace on earth and let it begin with us.

**ROLL CALL**

The following members were present: Mayor Martin; Councilmembers Huffman, Quigley, Wickstrom and Withhart.

**APPROVAL OF AGENDA**

City Manager Schwerm requested the addition of item No.16a to the consent agenda, which is the purchase of traffic signal equipment for Red Fox Road before the end of the year in order to qualify for use of TIF funds.

Item No. 18 will be continued at the request of the developer. However, the Final Plat, PUD and vacation of the street easement for the Lakeview Terrace project will be considered under item No. 19.

MOTION:       by Councilmember Huffman, seconded by Councilmember Wickstrom to approve the December 17, 2012 agenda with the addition of item No. 16a and continuance of item No. 18, as amended.

VOTE:                   Ayes - 5                   Nays - 0

## **PROCLAMATIONS AND RECOGNITIONS**

Mayor Martin stated that this meeting is Councilmember Blake Huffman's last meeting. He has served on the Council for the same 16 years that she has served as Mayor. She expressed her appreciation for Councilmember Huffman's ability to particularly keep an open mind with a willingness to compromise. One early concern of Councilmember Huffman was with affordable housing and rules that should be adopted concerning it. Today he heads a non-profit organization to provide affordable homes to single parent families. Councilmember Huffman has a very kind heart and shows kindnesses to neighbors in inconspicuous and quiet ways that are not widely known. Mayor Martin presented him with a beautiful plaque of Shoreview city views to take with him as he assumes the duties of Ramsey County Commissioner.

Councilmember Wickstrom added that she, too, has enjoyed working with Councilmember Huffman and believes through his discussion and contributions, the City has reached better decisions.

Councilmember Quigley also added that he has appreciated Councilmember Huffman's ability to provide different perspectives in an engaging manner. He is pleased Councilmember Huffman will be representing Shoreview on the Board of Ramsey County Commissioners, which is a win/win for Shoreview.

Councilmember Withhart shared all of the Council's comments and expressed his appreciation to Councilmember Huffman for challenging the Council in a collegial, respectful manner. He commended his ability to make decisions.

Councilmember Huffman stated that it has been a great honor to serve on the Council. He commended staff for making Shoreview what it is, and he has appreciated serving with all of the elected officials over the last 16 years. He is pleased to be able to represent Shoreview at a different level and looks forward to continuing his relationship with the City.

## **CITIZEN COMMENTS**

There were none.

## **COUNCIL COMMENTS**

### **Councilmember Huffman:**

Thank you, Mayor, for her words on the tragedy in Newtown.

Noted that once the item needing 5 votes is concluded, he will have to leave the meeting to take care of family matters.

**Councilmember Wickstrom:**

Thank you to the Shoreview Northern Lights Variety Band for an excellent Holiday Concert.

Beyond the Yellow Ribbon will have a Steering Committee meeting Thursday, December 20, 2012, at Roseville City Hall, at 7:00 p.m. Anyone interested in helping to support military families is welcome to attend.

There are a number of committee/commission vacancies open. Applications are available on the City website. Anyone interested is encouraged to apply.

The Environmental Quality Committee (EQC) will be holding educational seminars on the third Wednesday of each month for the next four months. The first session is on "What Happens to Recycling". The sessions will be held in the Council Chambers.

**Councilmember Quigley:**

A reminder to residents to review fire safety measures for the holidays, especially with the use of candles. Information is available on the City website.

A fun New Year's Eve party is planned for families at the Community Center, beginning at 6:00 p.m. Detailed information is on the City website.

**Mayor Martin:**

A great gift this season is a family membership to the Community Center. Rates are lower than any other fitness center in the Twin Cities.

Wishing everyone a Merry Christmas, Happy Hannukah, Happy Kwanza and Happy Holidays with joy and peace and safe travels during the holidays.

**CONSENT AGENDA**

Councilmember Withhart requested a short discussion on item No. 9. He noted that the number of delinquent accounts is similar over many years. He asked if there is a pattern why water bills are unpaid. City Manager Schwerm stated that there is no pattern, but many of the same addresses appear year after year. Some choose to pay in this way, even though there are penalties when utility bills are certified to property taxes. As an assessment on the property tax, it is not deductible on taxes.

**MOTION:** by Councilmember Quigley, seconded by Councilmember Huffman to approve the Consent Agenda, for December 17, 2012, and all relevant resolutions for all item Nos. 1 through the addition of item 16a, purchase of traffic signal equipment for Red Fox Road:

1. November 13, 2012 City Council Canvass Meeting Minutes
2. December 3, 2012 City Council Meeting Minutes
3. Receipt of Committee/Commission Minutes:
  - Park and Recreation Commission, October 25, 2012
  - Economic Development Authority, November 13, 2012
  - Economic Development Commission, November 20, 2012
  - Human Rights Commission, November 28, 2012
  - Bike and Trails Committee Minutes, December 6, 2012
4. Monthly Reports:
  - Administration
  - Community Development
  - Finance
  - Public Works
  - Park and Recreation
5. Verified Claims in the Amount of \$1,269,084.90
6. Purchases
7. License Applications
8. Designation of Official Depositories for 2013
9. Certification of Delinquent Utility Accounts
10. Developer Escrow Reduction
11. Change Order #3 - Floral Drive/Demar Avenue/County Road F Reconstruction, CP 12-01
12. Comprehensive Sign Plan Amendment - TCF/Color Sign Systems, 3836 Lexington
13. Final Plat - Estates of Heather Ridge, 5618 Heather Ridge Court
14. Receive Feasibility Report and Call for Public Hearing - Red Fox Road Reconstruction, CP 12-04
15. Receive Feasibility Report and Call for Public Hearing - County Road D and Cottage Reconstruction, CP 13-01A and 13-01B
16. Renewal of Services Agreement with Greater Metropolitan Housing Corporation
- 16a. Traffic Signal Equipment Purchase for Red Fox Road

VOTE:                      Ayes - 5                      Nays - 0

## **PUBLIC HEARINGS**

### **STREET REHABILITATION AND RECONSTRUCTION PLAN FOR YEARS 2013-2017 AND ADOPT PLAN**

#### **Presentation by Public Works Director Mark Maloney**

Bond financing is requested for street renewal in 2013 and to adopt a five-year plan for a street rehabilitation and reconstruction program. When assessing street conditions, three categories are considered: 1) preventative maintenance streets for crack sealing/sealcoating at a cost of \$23,000 per mile; 2) street rehabilitation, a full depth reclamation with emulsion at a cost of \$550,000 per mile; and 3) total reconstruction at a cost of \$1 million per mile. There are a number of total reconstruction projects planned between 2013 and 2020, which will bring all



City streets up to a modern standard. There are not sufficient funds in the Street Renewal Fund to do all these projects in addition to keeping up with preventative maintenance and street rehabilitation needs.

A major portion of the City streets fall in the category of rehabilitation because so many were built in a short period of time. Rehabilitation is a key strategy because it is half the cost of total reconstruction. Rehabilitation projects scheduled for 2013 amount to \$3.2 million covering just over 5 miles. The amount of \$2.5 million is proposed to come from bonding, and \$700,000 from the City's portion of gas tax money.

Under Minnesota Statutes, there are specific requirements to use this funding source. One is to adopt a 5-year plan and to hold a public hearing. Repayment of bonds are paid over a 15-year period. Major bonding projects are timed to begin when other bonds are being paid off. Bonding in the amount of \$2.5 million will amount to approximately \$18 in taxes on a median valued home in Shoreview.

With adoption of the proposed plan, the tentative project schedule is:

December 17, 2012	Public Hearing
March 4, 2013	Council Approve Feasibility Study
March 28, 2013	Bid Opening
April 1, 2013	Award Contract
May 2013	Start Construction
July/August 2013	End Construction

City Attorney Filla stated that he has reviewed the required affidavits that indicate the public hearing is in order at this time.

Mayor Martin opened the public hearing. There were no comments or questions.

**MOTION:** by Councilmember Quigley, seconded by Councilmember Huffman to close the public hearing at 7:34 p.m.

**VOTE:** Ayes - 5 Nays - 0

Councilmember Withhart asked if the \$18 is a tax increase to the homeowner. Mr. Maloney explained that the homeowner's increase is not \$18, as other debt is retired which offsets the amount when this debt begins. Finance Director Jeanne Haapala added that this is already on tax statements. Of the amount of taxes paid to the City, approximately \$18 will be used for this debt issue. With the retiring of debt levies and beginning of new ones, there is very little fluctuation year to year on taxes for debt.

Councilmember Withhart commended the Departments of Finance and Public Works for working together to keep the debt levy low and fund repair of streets.

Councilmember Huffman noted that a neighboring city was able to issue bonds at 1.5% interest. The rate of borrowing is very reasonable at this time.

**MOTION:** by Councilmember Quigley, seconded by Councilmember Wickstrom to adopt the Street Rehabilitation and Reconstruction Plan for the years 2013 through 2017.

Discussion:

Councilmember Wickstrom referred to the difference in cost for rehabilitation and total reconstruction street work. She emphasized that if the money is not spent on full depth reclamation, much more money will have to be spent later. City Manager Schwerm added that full depth reclamation costs are not assessed.

Mayor Martin stated that this approach to streets is very proactive. The Street Renewal Fund is the reason Shoreview residents are not assessed more than once for street work. Residents can thank former Councilmember Weyandt and his co-councilmembers for having the foresight to put \$2 million aside in a special fund for streets that enabled the City to adopt such a policy, which is unique in the metro area.

**ROLL CALL:** Ayes: Huffman, Quigley, Wickstrom, Withhart, Martin  
Nays: None

At this time, Councilmember Huffman left the meeting.

**PUBLIC HEARING - PROPOSED MODIFICATION OF MUNICIPAL DEVELOPMENT DISTRICT NO. 2, ESTABLISHMENT OF TAX INCREMENT FINANCING DISTRICT NO. 8 (A REDEVELOPMENT DISTRICT) AND RELATED ADOPTION OF A TAX INCREMENT FINANCING PLAN, AND APPROVAL OF A TAX INCREMENT DEVELOPMENT AGREEMENT - LAKEVIEW TERRACE PROJECT (MIDLAND PLAZA DEVELOPMENT)**

**MOTION:** by Councilmember Withhart, seconded by Councilmember Wickstrom to continue the public hearing.

**ROLL CALL:** Ayes: Quigley, Wickstrom, Withhart, Martin  
Nays: None

**PUBLIC HEARING - VACATION - FINAL PLAT AND FINAL PUD - LAKEVIEW TERRACE, 3588 OWASSO STREET**

**Presentation by City Planner Kathleen Nordine**

This project is to redevelop Midland Plaza to a 104-unit upscale, market rate apartment complex. The vacation is of Owasso Street in order to realign the road with County Road E for a new dedicated Owasso Street. The final plat divides the property into two parcels. Lot 1 is the new

apartment complex. Outlot A is a reconfigured parking area. The final PUD calls for demolishing the existing retail center for the apartment redevelopment.

The plan is consistent with previously approved plans in the Development Stage PUD. The setback from the wetland is 23.2 feet. The setback from Victoria is 65 feet. A surface parking lot will have 65 stalls and underground parking will provide 115 stalls.

Agencies were notified of the proposal. Comments were received from the Lake Johanna Fire Department, which have been distributed to the Council. Staff is recommending vacation of Owasso Street and approval of the final plat and final PUD.

City Attorney Filla stated that the public hearing is in order.

Mayor Martin opened the public hearing. There were no comments or questions.

**MOTION:** by Councilmember Withhart, seconded by Councilmember Wickstrom to close the public hearing at 7:50 p.m.

**VOTE:** Ayes - 4 Nays - 0

Planning Commissioner McCool stated that the City Planner's report is consistent with what the Planning Commission reviewed and voted to recommend for approval by the Council.

**MOTION:** by Councilmember Quigley, seconded by Councilmember Withhart to adopt Resolution 12-117 authorizing the vacation of Owasso Street and adjoining easements and approve the Final Plat and Final Stage - Planned Unit Development application, including the Development Agreements, submitted by Lakeview Terrace/Tycon Companies for the redevelopment of Midland Plaza, 3588 Owasso Street, with an upscale 104-unit apartment complex. Said approvals are subject to the following:

**Vacation:**

Prior to the release of the Final Plat, Lakeview Terrace No. 2, for recording, the applicant shall provide the City with the legal description of that portion of Owasso Street being vacated (see Attachment A).

**Final Plat**

1. A public use dedication fee shall be submitted as required by ordinance prior to release of the final plat by the City.
2. The final plat shall include drainage and utility easements along the property lines. Drainage and utility easements along the roadways shall be 10 feet wide and along the side lot lines these easements shall be 5 feet wide as required by the Public Works Director.
3. Private agreements shall be secured between the parcels in the subdivision and the adjoining Midland Terrace Apartment complex regarding joint driveway, parking and maintenance agreements. Said agreements shall be submitted to the City Attorney for review and approval prior to the City's release of the Final Plat.

4. This approval shall expire within one year of the date approved by the City Council.

**Planned Unit Development - Final Stage**

1. This approval permits the redevelopment of 3588 Owasso Street parcels with a 104-unit 6-story tall apartment building as depicted in the plans submitted as part of this application.
2. Private agreements shall be secured between the parcels in this PUD and the adjoining Midland Terrace apartment complex regarding joint driveway, parking and maintenance agreements. Said agreements shall be submitted to the City Attorney for review and approval prior to the City's review of the Final Stage PUD plans and Final Plat.
3. Items stated in the memo from the Engineering Department shall be addressed prior to the issuance of grading or building permits for this project.
4. Additional landscaping is required along the south side of the building to soften the structure's appearance when viewed from the adjacent single-family residential neighborhood.
5. The applicant is required to enter into a Site Development Agreement and Erosion Control Agreement with the City. Said Agreements shall be executed prior to the issuance of any permits for this project.
6. This approval shall expire within one year of the date approved by the City Council.

ROLL CALL:           Ayes: Wickstrom, Withhart, Quigley, Martin  
                               Nays: None

**SITE AND BUILDING PLAN REVIEW - VENTURE PASS PARTNERS, 1041 RED FOX ROAD**

**Presentation by City Planner Kathleen Nordine**

The site and building plan review is for Trader Joe's, a specialty market to be located on Red Fox Road. This is Phase 2 of three phases of the PUD for the Red Fox Road redevelopment approved in 2011. Phase 2 is 14,000 square feet for a specialty market. Phase 1 is the 10,000 square foot retail center, which is complete. Phase 3 is for a commercial bank building.

A Master Plan unit development agreement was executed, which included easements for cross access, parking, and maintenance; future phases to be reviewed through the site and building plan review process; and Code deviations for structure and parking setbacks. A permit has been approved through the Rice Creek Watershed District.

There is shared parking throughout the PUD. A setback deviation was approved for Trader Joe's; the required setback is 50 feet and 48.5 feet is proposed. The site plan is consistent with the PUD. The building materials are consistent with the materials used in the retail center. Three wall signs were approved as part of the Comprehensive Sign Plan for the PUD.

Property owners within 350 feet and agencies were notified of the development. Comments were received from the Lake Johanna Fire Department.

The Planning Commission has reviewed the plan and recommended 6 to 0 Council approval. Staff is recommending approval with the conditions attached in the staff report.

Councilmember Withhart noted that the deviation setbacks are from the ramp to the freeway, not the freeway itself, and there is a significant amount of grassy area. The deviation is inconsequential.

Councilmember Wickstrom stated that there has been some concern expressed about traffic on Red Fox Road. In the Consent Agenda earlier in the meeting, the Council did approve a feasibility study for improvements to Red Fox Road to accommodate additional traffic.

**MOTION:** by Councilmember Wickstrom, seconded by Councilmember Quigley to approve the Site and Building Permit Review application, including the Development Agreements, submitted by Shoreview Ventures for the development of 1041 Red Fox Road with a Trader Joe's specialty grocery market. The submitted development plans are consistent with the approved PUD master plan and the City's development standards.

1. This approval permits the development of this parcel with a 14,000 square foot specialty grocery market.
2. Approval of the final grading, drainage, utility, and erosion control plans by the Public Works Director, prior to the issuance of a building permit for this project.
3. The applicant is required to enter into a Site Development Agreement and Erosion Control Agreement with the City. Said agreements shall be executed prior to the issuance of any permits for this project.
4. The master development agreement for the plat and PUD for this development shall remain in effect and said terms which apply to Lot 1 shall be adhered to.
5. The items identified in the memo from the Assistant City Engineer/Public Works Director must be addressed prior to the issuance of a building permit.
6. The items identified in the memo from the Fire Marshal shall be addressed prior to the issuance of a building permit.
7. The Building Official is authorized to issue a building permit for the project, upon satisfaction of the conditions above.

This approval is based on the following findings of fact:

1. The proposed land use is consistent with the City's Comprehensive Plan.
2. The proposed land use and development plans are consistent with the approved PUD and the Development Code standards.
3. The use is in harmony with the general purposes and intent of the Development Code and Comprehensive Plan.

**ROLL CALL:** Ayes: Withhart, Quigley, Wickstrom, Martin  
Nays: None

Councilmember Wickstrom asked when Trader Joe's is anticipated to open. **Mr. Dave Karlan**, Venture Pass Partners, introduced his colleagues, Jim Ottenstein and Randy Rowerdien who were with him. The plan is to have the site ready for Trader Joe's by July.

**ITEMS RELATED TO THE BUDGET AND 2013 TAX LEVY**

**A. AMEND 2013 DEBT LEVIES**

**B. ADOPT 2013 TAX LEVY (CITY, HRA AND EDA)**

**C. AMEND 2013 BUDGET**

**D. AMEND CAPITAL IMPROVEMENT PROGRAM FOR 2013 THROUGH 2017**

**E. EMPLOYEE WAGE AND BENEFIT ADJUSTMENT**

**Presentation by Finance Director Jeanne Haapala**

The Council is asked to take action on five items:

Amend debt levies for a recommended debt levy of \$685,000. Without this amendment the debt levy would have been \$211,000 higher.

Adopt the 2013 tax levy for the City in the amount of \$9,604,567, which is \$77,470 less than the biennial budget planned for 2013; and adopt the 2013 HRA levy in the amount of \$75,000. The impact to a median valued home in the Mounds View School District with a 5.7% decrease in value would mean a total tax reduction of \$22.00 and an increase in City taxes of \$27.00. For those in the new Ramsey-Washington Metro Watershed District, a median valued home with a 5.7% decrease in value will see a raise in total taxes by \$52.00.

Amend the 2013 biennial budget and legally adopt it.

Amend the Capital Improvement Program (CIP) to establish projects for five years. Projects are not authorized but this establishes a plan. Separate Council action is needed to approve a project. Replacements are estimated at 82% of the CIP.

Authorize a 2% wage adjustment with health insurance contribution changes and approval of the job classification system.

By Minnesota law, the budget must be adopted by December 28, 2012. Staff is recommending approval of all five actions.

**MOTION:** by Councilmember Withhart, seconded by Councilmember Wickstrom to adopt proposed resolution number 12-111 reducing debt levies for fiscal year 2013 per Minnesota Statutes.

**ROLL CALL:** Ayes: Quigley, Wickstrom, Withhart, Martin  
Nays: None

MOTION: by Councilmember Wickstrom, seconded by Councilmember Quigley to adopt proposed resolution number 12-112 adopting a City tax levy of \$9,604,567 and an HRA tax levy of \$75,000 for taxes payable in 2013.

ROLL CALL: Ayes: Wickstrom, Withhart, Quigley, Martin  
Nays: None

MOTION: by Councilmember Quigley, seconded by Councilmember Withhart to adopt resolution number 12-113 amending the 2013 budget as detailed on the attached pages.

ROLL CALL: Ayes: Withhart, Quigley, Wickstrom, Martin  
Nays: None

MOTION: by Councilmember Withhart, seconded by Councilmember Wickstrom to adopt resolution number 12-114 amending the capital improvement program for the years 2013 through 2017 as detailed on the attached pages.

ROLL CALL: Ayes: Quigley, Wickstrom, Withhart, Martin  
Nays: None

MOTION: by Councilmember Quigley, seconded by Councilmember Withhart to approve a 2.0% wage adjustment for all regular employees, to increase the City contribution for employee health insurance to \$745 per month, to maintain the VEBA contribution amount at its current level, to adopt the attached Job Classification System and Pay Plan effective December 22, 2012, and to authorize the City Manager to submit all necessary reports to Minnesota Management and Budget as required by law.

ROLL CALL: Ayes: Wickstrom, Withhart, Quigley, Martin  
Nays: None

### **ADOPT ORDINANCE ESTABLISHING 2013 UTILITY RATES**

#### **Presentation by Finance Director Jeanne Haapala**

The objectives in setting utility rates are to: 1) maintain sufficient cash balances; 2) support operating costs; 3) provide for repair and replacements; 4) use a long-term emphasis for setting rates so there are not big fluctuations; and 5) use a base year approach for estimating gallons sold.

Water consumption fluctuates due to weather or rainfall, and declining household water use. Overall residential use is trending down. Last year a new tier system was adopted, which has helped significantly. The sewer rate is based on sewage flow and water usage. Recent groundwater infiltration impacts sewage treatment, which is 55% of sewage costs. Sewage flow

is trending down, but sewage treatment is trending up. In 2012, there was no rate increase, but there is an increase in 2013.

Operating costs are impacted by emergency repairs and debt payments. The City is preparing to take on the \$9 million debt for the water treatment plant, depreciation on City assets, sewer asset management project, and energy and fuel costs which fluctuate year to year. Capital costs include water tower, water and sewer line repair, sewer televising and relining, sanitary sewer lift stations, street light repairs and replacements and planning for the water treatment plant in 2015.

The water availability rate for 2013 will be \$13.40 per quarter, if no water is used. Tiered rates per thousand gallons will be:

Tier 1 \$1.08 per 1,000 gallons (5,000 gallons)

Tier 2 \$1.74 (5,000 gallons)

Tier 3 \$2.41 (20,000 gallons)

Tier 4 \$3.96 (all remaining water)

The sewer availability rate for 2013 is \$37.91 per quarter. Tiered sewer rates are \$16.02 to \$74.73 per quarter.

Surface water rates are \$19.33 per quarter for a single-family home and \$20.47 per quarter for multi-family units. Street light fees will be \$9.47 per quarter for a single-family home and \$7.10 per quarter for multi-family units.

Average usage is considered to be 17,500 gallons per quarter and 12,000 gallons in winter. The overall impact of the new rates is approximately an increase of \$8.00 per quarter. The biggest increase is the sewer rate. Of the \$8.00 increase, \$4.50 is for sewer. The proposed rates will generate a modest profit in each utility fund for 2013. Staff is recommending adoption of the ordinance.

Councilmember Withhart noted that Shoreview works very hard to address the infiltration problem in the sewer system to reduce treatment costs. He would be interested to know how Shoreview ranks with other cities for sewage treatment costs. Ms. Haapala stated that there are some communities who are seeing dramatic increases, although she has not looked at a comparison of rates of individual cities.

**MOTION:** by Councilmember Wickstrom, seconded by Councilmember Quigley to adopt the attached ordinance number 901 establishing a utility fee schedule effective January 1, 2013.

**ROLL CALL:** Ayes: Wickstrom, Withhart, Quigley, Martin  
Nays: None



**ADJOURNMENT**

MOTION: by Councilmember Withhart, seconded by Councilmember Quigley to adjourn the meeting at 8:27 p.m.

VOTE: Ayes - 5 Nays - 0

Mayor Martin declared the meeting adjourned.

THESE MINUTES APPROVED BY COUNCIL ON THE \_\_ DAY OF \_\_\_\_\_ 2013.

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Terry C. Schwerm  
City Manager

**SHOREVIEW ECONOMIC DEVELOPMENT AUTHORITY  
MINUTES OF THE MEETING  
December 10, 2012**

**CALL TO ORDER**

President Huffman called the meeting to order on December 10, 2012, at 5:03 p.m.

**ROLL CALL**

The following members were present: Blake Huffman, Emy Johnson, Gene Marsh and Terry Quigley.

Board Member Ben Withhart called prior to the meeting indicating he would not be able to attend.

Also Present:

Tom Simonson, Assistant City Manager/Community Development Director  
Kirstin Barsness, Barsness Consulting Services

**APPROVAL OF AGENDA**

**MOTION:** by Quigley, seconded by Marsh, to approve the December 10, 2012 agenda as submitted.

**VOTE:** Ayes – 4                      Nays – 0

**APPROVAL OF MINUTES**

**MOTION:** by Quigley, seconded by Marsh, to approve the November 13, 2012 meeting minutes, as submitted.

**VOTE:** Ayes - 4                      Nays - 0

**FINANCES AND BUDGET**

**Monthly Financial Report/Approval of Claims and Purchases**

Simonson summarized the claims submitted for payment.

**MOTION:** by Quigley, seconded by Marsh to accept the EDA Financial Reports and approve the following payment of claims and purchases:

- |    |   |         |            |
|----|---|---------|------------|
| 1. | Community Reinvestment Fund                             | \$66.00 | (Fund 307) |
|    | (11 Loans - Monthly Service Fees - Date Paid: 11/20/12) |         |            |

- |    |  |          |            |
|----|--|----------|------------|
| 2. | Leeann Chin (EDA Dinner - November Meeting)<br>(Date Paid: 11/16/12) | \$114.42 |            |
| 3. | Kirstin Barsness (EDA Consulting)                                    | \$393.75 | (Fund 240) |

VOTE:                      Ayes - 4                      Nays - 0

## **GENERAL BUSINESS**

### **Renewal of Consultant Services Agreement with the Greater Metropolitan Housing Corporation – Housing Resource Center (HRC)**

Simonson reported that in 2013, the fee structure for the Home Energy Loan Program will be the same. He introduced Marie Malrick, HRC Representative, who was present to answer questions.

Chair Huffman asked what other communities are doing in terms of providing resident loans to improve housing stock. Ms. Malrick reported that she processed one remodeling loan, one home energy loan in Shoreview and a fix-up loan from Ramsey County. Loans are slacking off. A fix-up loan through Ramsey County is normally a fixed 5.9% interest rate. Homeowners have to earn under \$96,500 in order to qualify. Shoreview's interest is 5.25%, which is reimbursed to the homeowner who lives in the home for 10 years.

The Board discussed expanding the Home Energy Loan Program to include exterior and interior remodeling that would help bring old systems, such as electrical or plumbing, up to code. Ms. Malrick stated that Roseville has a 4% loan for interior remodeling, but in the last couple of years that program has slowed as well. She noted that other loans have income requirements to qualify, but in Shoreview is an exception with no income requirements. She noted that the loan is limited to energy items and suggested expanding to other different types of improvements.

Chair Huffman agreed and stated that he would like to see the loan program expanded and made better to encourage more usage. Otherwise, something else should be done with the money.

Johnson asked if there is feedback from recipients and whether they could be used as catalysts to encourage others to take advantage of the program.

It was the consensus of the Board that the loan program needs more publicity. There was recently an article in the ShoReview. Although people do not think of going to the City website, there should be a direct link for information.

Simonson reported that the Annual Contract with HRC is up for renewal. There are no changes. There is also a lease agreement with HRC to use the Lepak/Larson House for office space. The fee for services in the amount of \$12,000 has not increased and is offset equally by the annual lease payment back to the City. He commended Ms. Malrick for her work with Shoreview, not just in providing housing services, but for all their participation in community events including the harvest festival this fall.

Chair Huffman noted that residents do not know about the construction management program offered by HRC. Residents can ask about any home improvement and get free information, advice and recommendations for getting the work done. This service needs more advertising. He suggested that City inspectors make direct referrals of property owners to the SHINE program and to HRC construction services, when non-compliance is found.

**MOTION:** by Johnson, seconded by Marsh, to recommend the City Council renew the Consultant Services Agreement for 2013 with Greater Metropolitan Housing Corporation for administering the City's housing programs, including the Shoreview Home Energy Improvement Loan Program, through the Housing Resource Center.

**VOTE:** Ayes - 4 Nays - 0

### **Discussion of EDA Board Membership and Process for Filling Vacancy**

Simonson stated that an at-large position would be advertised with Chair Huffman's leaving. There has been some suggestion from the Economic Development Commission (EDC) to restructure the EDA. The EDC feels somewhat disconnected from projects initiated by the EDA.

Marsh stated that the EDC and EDA have two separate missions. The EDC's mission is to work on business retention and expansion with businesses already in the City. That is not the focus of the EDA, although the EDA can implement tools to provide assistance with expansion.

Quigley added that the EDC feels proprietary toward these issues, but the EDA also focuses heavily on housing issues.

Chair Huffman stated that the EDA and EDC are totally separate, and he would see the EDA Board structure remaining as it is. The EDC receives information and should be active with business exchanges and meeting with business owners. Once business the process of a expansion begins, the EDC should move on to the next issue.

Johnson stated that she would like to see the friction between the EDA and EDC resolved.

Simonson said that one change previously suggested during the last discussion to fill a board vacancy was to amend the by-laws currently providing six year terms for at-large member to change to three years to be consistent with term lengths for committee and commission members. However, the State law governing economic development authorities requires six-year terms.

It was the consensus of the Board to recommend to the full City Council appointment of Councilmember-elect Emy Johnson to fill Chair Huffman's vacant position as a council representative to the EDA, and publically advertise for an at-large member. The EDA said it would be beneficial to find a candidate with an interest and background in housing.

### **Business and Development Updates**

**Lakeview Terrace (Midland Plaza Redevelopment):** Simonson reported that the Council will hold a public hearing at its meeting on December 17, 2012, to approve the new TIF District, TIF Agreement and development approvals requested.

**PaR Systems Expansion:** This project is moving quickly with anticipated occupancy of the new addition by March 2013.

Simonson noted that the City's newsletter, *ShoreViews* will spot light business expansions, and feature local company Lion Precision. Quigley added that our recent business expansion efforts is a story that needs to be told because it will influence businesses looking at coming to Shoreview.

**Red Fox Road Retail (Trader Joe's):** Phase 1 of the retail center is complete with the opening of Chipotle, Five Guys Burgers and Leeann Chin restaurants, along with Sport Clips hair salon and Massage Retreat Spa.

The site and building plan for Trader Joe's will be reviewed by the Planning Commission at its December 13th meeting and by the City Council at the December 17th meeting. The developer is expecting that the lease agreement will be executed within the next week or two. It is expected that the project will begin in early 2013, with the goal of delivering the completed store to Trader Joe's by July for their tenant improvements.

Barsness noted that financing for Trader Joe's must close by December 31, 2012, in order for the City to provide the TIF assistance previously approved for this project.

Simonson stated that a proposal has been received from Target for the City to take over the private storm water pond area in exchange for a number of improvements. The cost for the City to take over the pond would be more than the alternative of simply satisfying minimum watershed district requirements for Red Fox Road. However, there are more regional stormwater benefits and aesthetic reasons for the City to pursue taking over and enhancing the pond. TIF is not a good funding source for Red Fox Road because of the timing of the road improvements in 2013, past the temporary authority deadlines. Some current expenses can be paid from TIF District No. 5. Engineers will do a feasibility report for both stormwater options and an agreement with Target is needed in order to proceed with bids by March, 2013. The City is promising that Red Fox improvements will be completed by the end of July, prior to the opening of the Trader Joe's.

**Sinclair Redevelopment (TCF Bank):** TCF Bank will open in January. Staff has resolved sign issues for an easement for a Trader Joe's sign on the corner of Red Fox Road and Lexington on TCF property. Venture Pass is paying for most of the cost of the sign through a lease with TCF and recruiting other businesses to be on the sign to raise revenue. A bigger sign is proposed.

**Shoreview Senior Living** will host an Open House on December 19, 2012. The building is beautiful, and units are now being shown.

Chair Huffman asked staff to look into how the City will be able to enforce compliance with the requirement that 12 units are affordable under Elderly Waiver.

**TSI Incorporated Expansion:** This project is moving quickly. The parking lot is done, and the shell of the expansion will be closed by the end of the year.

**Westinghouse PaR Nuclear Expansion:** A capital budget has been approved through Westinghouse, which gives this project more momentum. Part of the expansion will include high towers and an underground pool to be able to test equipment that will be used in nuclear plants. The expansion will be on the east side of the building toward the Ramsey County Ice Arena.

PaR Nuclear may also contact property owners on Milton Street about possible acquisition of four parcels of land, all with separate ownership. The City has been working with Greater MSP staff, who indicated there may be potential state grant opportunities to assist with an expansion project. Westinghouse has indicated they may be hiring an additional 60 full-time employees.

**Marianne's Kitchen:** Simonson reported that the owner of Marianne's Kitchen has raised concerns about a City Facebook announcement of an opening Five Guys Burgers. The business operator said that advertising and promoting a national chain business hurts a smaller business. The owner also states that business at Marianne's has been cut by two-thirds since the opening of other restaurants, and the City is not doing enough to promote small businesses. Staff told the business owner that the City is using social media to inform the community of news including welcoming new business, but we would explore refining our policies when announcing business openings.

Johnson noted that there can be unintentional results through social media, and it would be wise for the City to consider policies on its use.

## **Housing Improvement Areas**

Simonson stated that staff was asked by the EDA to further review opportunities to initiate a Housing Improvement Area (HIA) for one of the townhouse association communities. HIA is a public financing tool that allows cities to provide a loan to private property owners within a designated area to fund common area property improvements through an assessment similar to a road improvement project. An HIA can only be established at the request of the association with at least 50% of owners signing a petition with the City. This law will sunset June 30, 2013.

Staff recently toured the lowest rated townhouse communities from an analysis prepared several years ago and found that many that needed improvements have undertaken major upgrades. For example, Fox Glen has made significant improvements to its infrastructure, replaced roofs and repaved private streets. Given the limited time frame for this program and prior lack of interest from local associations, it would be staff's recommendation to not expend any more time or resources towards seeking an association partner to create an HIA.

It was the consensus of the Board to adopt staff's recommendation.

**McGuire Property:** Chair Huffman asked the status of the McGuire property. Simonson reported that proceedings are moving forward on condemnation, as the owner has been unwilling to execute a purchase agreement with the City. An appraisal is being prepared, a copy of which will be given to the owner who will have 60 days to review it.

## **FAREWELL TO PRESIDENT HUFFMAN**

Board members congratulated Chair Huffman on his election to the Ramsey County Board of Commissioners.

**MOTION:** by Quigley, seconded by Johnson to commend President Blake Huffman for his exemplary service and leadership during his tenure on the Economic Development Authority.

**VOTE:**                      Ayes - 3                      Nays - 0                      (Huffman abstained)

## **ADJOURNMENT**

**MOTION:** by Quigley, seconded by Johnson to adjourn the meeting at 6:28 p.m.

**VOTE:**                      Ayes - 4                      Nays - 0

**SHOREVIEW PLANNING COMMISSION  
MEETING  
December 13, 2012**

**CALL TO ORDER**

Chair Solomonson called the meeting of the December 13, 2012 Shoreview Planning Commission meeting to order at 7:00 p.m.

**ROLL CALL**

The following members were present: Chair Solomonson; Commissioners, Ferrington, McCool, Proud, Schumer, and Thompson.

Commissioner Wenner was absent.

**APPROVAL OF AGENDA**

**MOTION:** by Commissioner Schumer, seconded by Commissioner Proud to approve the December 13, 2012 agenda as submitted.

**VOTE:**                                      **Ayes - 6**                                      **Nays - 0**

**APPROVAL OF MINUTES**

**MOTION:** by Commissioner Proud, seconded Commissioner Schumer to approve the October 23, 2012 Planning Commission minutes as submitted:

**VOTE:**                                      **Ayes - 6**                                      **Nays - 0**

**REPORT ON COUNCIL ACTION**

City Planner Nordine stated that the City Council approved the following applications as recommended by the Planning Commission:

- Amendment to Planned Unit Development - Development Stage, Heather Ridge Townhouse Association for the addition of active recreation space
- Site and Building Plan Review for Tom Houck, 4610 Milton Street for an addition
- Site and Building Plan Review for Lake Johanna Fire Department, Station No. 4 addition



## **NEW BUSINESS**

### **SITE AND BUILDING PLAN REVIEW**

**File No:** 2472-12-35  
**Applicant:** Venture Pass Partners, LLC  
**Location:** 1041 Red Fox Road

#### **Presentation by City Planner Kathleen Nordine**

The application is to construct a 14,000 square foot specialty grocer, Trader Joe's. This is Phase 2 of the approved PUD for this site. The property is platted with three parcels. Phase 1 has been completed with a retail center. Phase 3 will be for a commercial bank building. Easements have been executed for access, parking and maintenance. Some of the private infrastructure has been constructed for the phases. The approved PUD does allow for Code deviations of structure setback from the 50 feet required from I-694 to 48.5 feet. Parking spaces are 15 feet from I-694 rather than the required 20 feet.

Storm water management was constructed as part of the overall PUD. There is 72% lot coverage, which is less than the 80% allowed. The architecture design is similar to the retail center. Three wall signs for the Trader Joe's were approved with the Comprehensive Sign Plan.

Concerns of traffic were expressed, and a feasibility study for road improvements on Red Fox Road is scheduled to be presented to the City Council in December.

Property owners within 350 feet were notified of the project. The Lake Johanna Fire Department did submit comments. Staff finds that the proposal is consistent with the PUD and recommends approval with the conditions listed in the staff report.

Commissioner Ferrington asked for more details on the proposed road improvements for Red Fox Road. Ms. Nordine stated that the work would include lane widening, a right turn lane onto Red Fox Road from Lexington, and medians to manage turning movements on Red Fox Road.

Commissioner Schumer asked if there would be a drive in the back of the building for deliveries rather than trucks driving through the parking lot. Ms. Nordine stated that an added access was discussed to help traffic flow for deliveries.

Chair Solomonson asked if there are conditions for snow storage, hours of delivery and truck parking. Ms. Nordine stated that delivery hours and truck parking limitations are not proposed as this commercial area is not adjacent to residential neighborhoods.

**Mr. Randy Rauwerdink**, Vice President introduced Dave Carland, President; and Jim Ottenstein, Executive Vice President of Ventures Pass. He stated that great care has been taken to incorporate the design of the retail center for Trader Joe's. The liquor store portion of the store is at the south end of the building with separate access. The delivery door faces the

freeway and not visible. Snow storage would be on green areas at the north and south end of the site. He thanked the Commission for considering the application and commended staff for an accurate report.

Commissioner McCool asked if there will be cart storage in the parking lot. **Mr. Rauwerdink** stated that there are and there is a screened wall in front of the building where they will be stored.

Chair Solomonson opened discussion of the project to the public. There were no comments or questions.

Chair Solomonson requested that copies of the plan for traffic improvements be sent to the Planning Commission.

**MOTION:** by Commissioner Schumer, seconded by Commissioner Thompson to approve the Site and Building Permit Review application, including the Development Agreements, submitted by Shoreview Ventures for the development of 1041 Red Fox Road with a Trader Joe's specialty grocery market. The submitted development plans are consistent with the approved PUD master plan and the City's development standards.

1. This approval permits the development of this parcel with a 14,000 square foot specialty grocery market.
2. Approval of the final grading, drainage, utility, and erosion control plans by the Public Works Director, prior to the issuance of a building permit for this project.
3. The applicant is required to enter into a Site Development Agreement and Erosion Control Agreement with the City. Said agreements shall be executed prior to the issuance of any permits for this project.
4. The master development agreement for the plat and PUD for this development shall remain in effect and said terms which apply to Lot 1 shall be adhered to.
5. The items identified in the memo from the Assistant City Engineer/Public Works Director must be addressed prior to the issuance of a building permit.
6. The items identified in the memo from the Fire Marshal shall be addressed prior to the issuance of a building permit.
7. The Building Official is authorized to issue a building permit for the project, upon satisfaction of the conditions above.

This approval is based on the following findings of fact:

1. The proposed land use is consistent with the City's Comprehensive Plan.
2. The proposed land use and development plans are consistent with the approved PUD and the Development Code standards.
3. The use is in harmony with the general purposes and intent of the Development Code and Comprehensive Plan.

**VOTE:**           Ayes - 6                           Nays - 0

## **COMPREHENSIVE SIGN PLAN AMENDMENT**

**File No:** 2469-12-32  
**Applicant:** TCF / Color Sign Systems, Inc.  
**Location:** 3836 Lexington Avenue

### **Presentation by Senior Planner Rob Warwick**

The amendment is to the sign plan approved by the Planning Commission at its August meeting and approved by the City Council on September 17, 2012. The approved plan includes three wall signs, a pylon sign with an integrated message center sign, two illuminated window signs that only state, "OPEN" or "CLOSED", and traffic direction signs. TCF has requested an amendment for a monument sign with an integrated message center rather than a pylon sign. The monument sign would be larger with an area of 59.1 square feet. The message center would have an added 25.2 square feet; 10 square feet was approved on the pylon sign. The height of 13.8 feet for the monument sign is shorter than the approved 20-foot pylon sign. The height is higher than what is allowed for a building of less than 20,000 square feet.

TCF is located at the corner of Lexington and Red Fox Road. Public street access is with a right-turn only. There is full access from the Target service drive. TCF will convey easements along Red Fox Road and Lexington for the sign, which announces the gateway to the Red Fox Road retail area. The sign will be set back 5 feet per City requirements. City Code encourages use of monument signs rather than pylon signs.

The message center was approved at 10 seconds per display. TCF has requested 8 seconds per display.

Staff supports the amendment. Materials are consistent with what was previously approved. It is important for the sign to be visible from Red Fox Road and Lexington. The message center sign is reasonable for this property.

Notice was given to property owners within 350 feet. No comments were received. The amendment complies with the criteria and findings. Staff is recommending that the Planning Commission forward the amendment to the City Council for approval.

Chair Solomonson asked if the sign on Red Fox and Lexington will be a message center sign. Mr. Warwick stated that he does not anticipate a message center sign in that location because it is difficult with multiple users to prioritize use.

Commissioner Proud asked if the brightness of the sign is in conformance with City regulations. Mr. Warwick stated that the applicant is aware of industry standards. The sign brightness is set at the factory and has an automatic dimmer to adjust ambient light conditions. Billboard regulations are 0.3 foot candles above ambient light measured at the center of the street.

Commissioner Proud asked how much brighter the factory settings are than the ambient lighting. Mr. Warwick stated that ambient lighting is difficult to measure, but if there are concerns, he

would suggest a condition to address illumination measured in foot candles at a specified distance, such as from the center of the road as is used in parking lot lighting. He also noted that the example depicts a graphic which is in violation of Code. Only text is to be used. He asked if multiple colors are allowed. Mr. Warwick stated that an amber color is required by Code on message center signs in residential areas. No limitation exists in non-residential areas regarding color. A condition is required that a uniform color and height be used and that no graphics are to be used to make the sign consistent with Code requirements.

Commissioner McCool noted that TCF has indicated the sign will be controlled centrally and asked how Shoreview regulations would be enforced, especially if their messages are uniform and Shoreview has different regulations from other communities. Mr. Warwick explained that the central control is to vary the message, but it will be uniform with Shoreview regulations.

**Mr. Dave Shannon**, Color Sign Systems, stated that he is representing TCF regarding signage. Commissioner Proud asked about the brightness settings. Mr. Shannon stated that the maximum brightness is set to match City Code at 5,000 nits. It automatically dims according to conditions of ambient light. Once the settings are put in, there are usually few complaints.

Commissioner Proud asked how much brighter the sign will be than ambient light conditions. He requested that a published standard, not the industry standard be provided to the Commission. **Mr. Shannon** stated that he is only familiar with brightness in terms of nits and not in comparison to ambient light. He offered to research an answer for Commissioner Proud. He noted that many cities have no restrictions and 5,000 nits as proposed is the lowest brilliance used.

Commissioner McCool asked why the sign is 13 feet in height rather than the 12-foot City standard. **Mr. Shannon** stated that the sign is 3 feet from grade with a brick base. A standard TCF small sign is the one proposed. The information has to fit around the logo and fit as close as possible to Code. It is not possible to purchase a message center small enough to meet Code. The height of the sign could be reduced by making the base one foot above grade, but that may not be above snow cover. Mr. Shannon added that the sign programming is done by his office in accordance with City Code.

Commissioner McCool asked for information that will be posted on the sign. **Mr. Shannon** explained that the time and temperature that TCF always posts will be on the sign. His company programs the sign every week. There will be public service announcements according to what TCF requests. Each sign has its own schedule and set of messages.

Commissioner Schumer noted that a condition of approval is that no graphics are to be used. **Mr. Shannon** stated that would be a deal breaker. The same is true for uniform lettering. Flexibility is needed to fit the message for readability.

Commissioner Proud noted that graphics are prohibited in the City's sign ordinance. **Mr. Shannon** stated that the pylon sign was approved with a color message center as drawn on the illustration. Mr. Warwick stated that similar conditions were imposed on the prior approval of the pylon sign. Technology is changing so rapidly that some sign companies do not make a one-

color sign anymore. He can buy one, but that is not what TCF would like to have and he would not recommend they spend thousands of dollars for a one-color sign. In his 40 years of business, he has not heard of a lawsuit from an accident based on the design of a sign.

Commissioner Proud asked if it would be possible to postpone this decision another month. He would have difficulty supporting this request that clearly deviates from City Code. **Mr. Shannon** stated that it takes 60 days for the equipment to be shipped in, and the grand opening is in February. He offered to call staff directly regarding brightness, if that is a concern.

Commissioner Ferrington asked if the pylon sign conditions proposed by Staff included uniform color and prohibited graphics. Mr. Warwick answered, yes. The Comprehensive Sign Plan is the mechanism to allow deviations.

Chair Solomonson noted that two large billboards on Lexington. Through the Comprehensive Sign Plan, the requested deviations can be granted, which he would favor.

Commissioner Proud stated that the Code is based on aesthetics. He does not see justifying the deviations requested based on the billboards previously approved.

Commissioner McCool stated that the graphics and colors are not a great concern for him. However, he does not want this sign to become the community bulletin board. He would like messages to be limited to business operations. He would like the sign to comply with the 12-foot height, as the location is on an elevated grade.

Commissioner Schumer stated that he does not have a problem with the colors and graphics. Technology has moved quickly. The height is lower and he does not have a problem with 13 feet. He would eliminate condition Nos. 1 and 4.

Commissioner Thompson stated that the sign is very attractive. The colors, graphics and height are not a concern. She asked the City's perspective knowing the purpose of this sign. Mr. Warwick stated the conditions are based on Code. Deviations can be approved with a Comprehensive Sign Plan.

Commissioner Ferrington stated that the applicant knew the conditions for approval and was not addressed at this meeting. She would like to see the height be in compliance with the 12-foot limit.

Commissioner Proud stated that he would not support graphics. The Code states that messages should relate to goods and services on the premises. Even time and temperature are questionable.

Chair Solomonson responded that the pylon sign approved was 20 feet. This is a reduction and he can support the request.

**MOTION:** by Commissioner Schumer, seconded by Commissioner Thompson to recommend the City Council approve the Comprehensive Sign Plan amendment submitted by

TCF Bank for 3836 Lexington Avenue, subject to the following conditions with a change to C1. to read, display text sufficient to be readable by motorists without distraction and elimination of condition No. 4 under C. Approval is based on the five findings of fact.

- A. The signs shall comply with the plans submitted for the Comprehensive Sign Plan application. Any significant change will require review by the Planning Commission and City Council.
- B. The applicant shall obtain a sign permit prior to the installation of any signs on the property.
- C. The message center sign shall:
  - 1. Display text using a uniform color and letter height sufficient to be readable by passing motorists without distraction.
  - 2. Messages shall be limited to allow passing motorists to read the entire copy.
  - 3. Messages shall not include telephone numbers, email addresses or internet urls.
  - 4. No graphics shall be displayed on the message center.
  - 5. Messages shall be displayed for a minimum of 8 seconds, and shall change instantaneously.
  - 6. Messages be presented in a static display, and shall not scroll, flash, blink or fade.
- D. Traffic Directional signs shall not be located in the public street right-of-way without the authorization of the appropriate jurisdictional agency.

This approval is based on the following findings of fact:

- 1. *The plan proposes signs consistent in color, size and materials throughout the site for each type of proposed sign.* Each type of sign (Monument, Wall, Traffic Directional, etc.) uses uniform color and materials, and with colors generally based on the TCF logo.
- 2. *Approving the deviation is necessary to relieve a practical difficulty existing on the property.* The business needs visibility from each elevation facing an access point and that the proposed signs provide that needed visibility. Staff believes that lot access presents a practical difficulty that warrants additional business identification. The corner location at the intersection of Lexington (an arterial) and Red Fox Road (a local street) also contributes to the practical difficulty since Red Fox is the main road for this retail area, but is classified as a local road.
- 3. *The proposed deviations from the standards of Section 208 result in a more unified sign package and greater aesthetic appeal between signs on the site.* The wall signs proposed

give a uniform appearance to each building elevation facing a vehicular access point. Message center signs are not uncommon at bank facilities. Use of the message center is reasonable and consistent with previous City decisions regarding message center signs.

4. *Approving the deviation will not confer a special privilege on the applicant that would normally be denied under the Ordinance.* The configuration of the access to the lot and building is unique for this property with two points of ingress that are right turn only, and only one point of egress.
5. *The resulting sign plan is effective, functional, attractive and compatible with community standards.* The sign plan proposes signs with design and sign areas that generally conform to the provisions of Code.

#### Discussion:

Commissioner Proud stated that he does not agree that the findings address practical difficulty in the City's standard.

City Attorney Filla stated that Section 203.040, subd. C2(c)ii requires a finding of practical difficulty for deviation from the Sign Code.

Commissioner Proud stated that the applicant indicated a sign with a single color is possible. He would like to see this matter continued in order to have a more thorough and deliberate discussion to resolve difficulties.

Commissioner McCool stated that in relation to practical difficulty, he is convinced that the deviations are reasonable. The market has determined the changes in signs and colors and graphics that are not the creation of the applicant.

Commissioner McCool offered an amendment to the motion: to add No. 6 to condition No. C to read, "sign may display time, weather conditions and images that reflect weather conditions and shall advertise only goods or services offered on the premises. Commissioner Proud seconded this amendment.

#### VOTE ON FIRST AMENDMENT

Ayes - 5

Nays - 1 (Schumer)

Commissioner McCool offered a second amendment, Condition E. that the sign shall be no taller than 12 feet in height. Commissioner Ferrington seconded.

#### VOTE ON SECOND AMENDMENT

Ayes - 4

Nays - 2 (Schumer, Thompson)

#### VOTE ON ORIGINAL MOTION AS AMENDED BY ABOVE TWO AMENDMENTS

VOTE:           Ayes - 4                           Nays - 2 (Ferrington, Proud)

Chair Solomonson called a break and reconvened the meeting at 8:55 p.m.

## **VARIANCE**

**File No:**                   **2468-12-31**  
**Applicant:**           **Michael Morse**  
**Location:**           **1648 Lois Drive**

### **Presentation by City Planner Kathleen Nordine**

The following variances are requested in order to complete a partially constructed detached garage:

- Exceed the maximum area permitted of 576 square feet to 1,100 square feet
- Exceed combined area permitted of 691 square feet to 1,100 square feet
- Exceed the maximum height permitted of 15 feet to 15.91 feet
- Reduce the required 5-foot west side setback to 2.3 feet.

This application is similar to one presented to the Planning Commission in 2011, which the Planning Commission denied.

In July 2011, the City became aware that this structure was being constructed. A Stop Work Order was issued, as no building permit had been issued. The structure is in noncompliance, and the property owner applied for variances. In August 2011, the Planning Commission reviewed the request for variances and determined that practical difficulty did not exist. The variances were denied. In September 2011, the City Council considered an appeal of the Planning Commission decision by Mr. Morse. The City Council upheld the Planning Commission decision.

In October 2011, Mr. Morse was notified that the property needed to be brought into compliance by November 1, 2011. In December 2011, the City Council held an abatement hearing and determined that the structure is a public nuisance and ordered its abatement. At present, the structure remains on the property, and the City has filed a complaint with the District Court seeking an order for removal of the structure. A decision has not yet been issued.

The City's Development Code allows a property owner to file the same or similar application six months after denial. The applicant has indicated that an addition to the home is planned that would increase the foundation of the living area to a total of 1,375 square feet. However, since



the addition has not been constructed, that total cannot be used in the formula for accessory structure, which is 75% of foundation area of the principal structure. The property is zoned R1.

The applicant states that the proposed garage is similar to the sizes of other garages in the neighborhood. The existing home is small, and the square footage allowed is not adequate. Code restrictions depress the property value. A drainage easement on the south side restricts location of the structure. The side yard encroachment is necessary to achieve a reasonable sized garage. The new garage is in the same location as the previous one. Also, the applicant has stated that he was not aware that a building permit was needed.

Staff has reviewed the application and does not believe that practical difficulty exists. As the new garage is 140% of the foundation of the house, it becomes the principal structure on the property. The proposed 1,100 square feet is not reasonable due to the size of the lot, the house and proximity to the side property line. Although the house is small, it is similar to other homes in the neighborhood with smaller garages. There are some garages in the neighborhood that are larger, but most are in compliance. The drainage easement is not unique and does not create the need for encroachment into the side setback. The 2.3 feet does not allow enough room for mitigation of the impact of the size of the structure.

Public comment does not support the structure, and residents have asked why it still remains. Staff is recommending denial, as the circumstances have not changed from the first application. The property can be used in a reasonable manner and there is space to build a garage that would be in compliance. The size of the proposed structure will negatively impact the neighborhood.

City Attorney Filla stated that the application can be considered six months after denial. Litigation has commenced, and a trial will be scheduled for spring of 2013.

Commissioner McCool asked if a building permit was applied for to build the house addition. Ms. Nordine stated that an application for a house addition and completion of the garage was submitted. The application was denied because the accessory structure is not in compliance.

Chair Solomonson asked staff to comment on previous Code requirements, when other larger garages were built in the neighborhood and to compare this application with other smaller homes in the area with larger garages. Ms. Nordine stated that the Development Code was amended in 2006 when accessory structure regulations became stricter. A chart of properties in the area shows the largest garage is 937 square feet and just over the size of the home at 102%.

Commissioner Schumer asked if only a building permit would be needed if just the house addition were being considered. Ms. Nordine answered that only a building permit is needed. Commissioner Schumer asked if the garage was approved, what amount of time would be allowed for the house addition. Ms. Nordine stated that the house addition is a separate issue. Even if the addition were completed, variances would be needed for the garage setback and size which would exceed 75% of the house foundation area.

**Mr. Fritz Knaak**, Attorney for the Applicant, stated that it will cost many thousands of dollars to remove a structure for which he was unaware a building permit was needed. Practical difficulty does exist in this case. He distributed a letter to the Planning Commission summarizing his comments at this meeting. The current condition of the garage is ugly and covered with plastic to preserve it until the issues can be resolved. This small home was purchased by the applicant as a single person. Now he has become a family of four. The addition he plans is to keep his family in this home. Under the City's Code, the owner of a smaller house is not entitled to enlarge a garage to accommodate the number of people or vehicles owned. The initial design was taken from other garages he observed in the neighborhood. He was unaware of needing a building permit. What is being asked is not far-fetched. There are practical difficulties. The character of the neighborhood is eclectic in terms of accessory structures. The larger garage enhances the value of the home. He showed photographs of larger garages in the neighborhood. The footprint of the garage is aligned with the driveway and on the same location of the previous garage with the same setback. The drainage easement is a deep ditch, which is a significant hardship and implicates where anything can be located on the property. What is proposed is consistent with the neighborhood. The original roof line can be engineered down to 15 feet. The major issue is the size, but it is not bigger than others in the neighborhood, and the ratio of house size to garage size is not unique. What is unique is the neighborhood with other small homes and larger garages.

Chair Solomonson opened the discussion to public comment. There were no comments or questions.

Commissioner McCool asked why the drainage ditch precludes a side setback of a compliant 5 feet. **Mr. Knaak** stated that the entire configuration of the driveway and house is based on the location of the ditch and impacts the setback. Commissioner McCool stated that a garage of 22' x 50' is remarkably large. He asked why the largest allowed garage of 750 square feet would not be adequate. **Mr. Knaak** explained that the size is driven by the need to store vehicles.

Commissioner McCool asked if partial demolition has been explored. **Mr. Knaak** explained that the problem is that there is a concrete pad with footings that would have to be broken up.

Commissioner Proud stated that he is not convinced by the applicant's argument. Necessary proof has not been presented.

Commissioner Ferrington agreed. She visited the site. While the drainage may be problematic for the home, she does not see how it impacts the 2.3 foot setback. Also, it is impossible to verify that the garage is reconstructed on the same footprint that would allow grandfathering.

Commissioner Schumer stated that nothing has changed. As a homeowner, the applicant must go through the same processes as everyone else.

Commissioner McCool stated that he does not support the variances. He does not believe it is legally justifiable to oversize a garage on the basis of number of vehicles. It is too large for the house, even if there is an addition to the house. The proportion is too large. He is not convinced

there are unique circumstances. He stated that the comparisons shown by the applicant are not clear as to the proximity of the subject property.

Chair Solomonson stated that one of the biggest concerns is the size. He believes a size of 750 square feet would be 15 feet shorter, a size that is more in character. He agreed that without the completed house addition, that cannot be considered. The Commission can only consider what is before it.

Commissioner Thompson stated that the garage is too long and does not comply with City standards.

**MOTION:** by Commissioner McCool, seconded by Commissioner Schumer to deny the following variances requested by Mike Morse, 1648 Lois Drive, to retain and finish the partially-constructed detached accessory structure on his property:

1. To exceed the maximum area permitted (75% of the dwelling unit foundation area or 750 square feet whichever is more restrictive). The area of the detached accessory structure is 1,100 square feet exceeding the maximum of 576 square feet permitted.
2. To exceed the combined areas of all accessory structures on the property (90% of the dwelling unit foundation area or 1,200 square feet whichever is more restrictive). The combined area of all accessory structures is 1,100 square feet exceeding the 691 square feet permitted.
3. To exceed the height of the house (15 feet) - a height of 15'11" feet is proposed.
4. To reduce the required 5-foot setback from a side property line to 2.3 feet.

Said denial is based on the following findings of fact:

1. The request does not comply with the spirit and intent of the City's Development Code and Comprehensive Plan due to the proposed size of the detached accessory structure. The accessory structure would become a dominant structure and use on the property and not be subordinate to the principal residential dwelling unit. With the proposed 2.3-foot setback from the side property line, open space between properties is not maintained and space is restricted to maintain the structure from the applicant's property.
2. Reasonable Manner. The applicant can use his property in a reasonable manner as permitted by the Development Code. In accordance with the City's regulations a two-car 576 square foot detached accessory structure and a storage shed could be constructed on the property at the required 5-foot setback. To this finding, Commissioner McCool added the following: The applicant's proposal is not a reasonable use because both the size and height of the structure are too large in proportion to the house and surrounding structures. Also, it is possible for the structure to be placed further away from the lot line.

- VOTE:           Ayes - 6                                 Nays - 0

**File No:** 2470-12-33  
**Applicant:** Dennis & Mary Louise Jarnot  
**Location:** 1000 Oakridge

The application is for a Conditional Use Permit (CUP) to expand a second detached accessory structure on the property. A CUP is required for accessory structures to exceed the maximum area on parcels of 1 acre or more in size. The property is zoned R1. It is developed with a two-story single family home with a foundation area of 1,983 square feet. There is an attached garage of 753 square feet, a detached garage of 720 square feet and a storage shed of 168 square feet. The new structure would be 784 square feet and includes the existing storage shed which would be relocated to comply with the side yard setback. The combined floor area if all accessory structures is 2,257 square feet and the floor area of detached accessory structures combined is 1,537. The height is 17 feet; the maximum height allowed is 18 feet. The exterior is stucco with roof to match the other structures on the property.

The property is a low density detached residential use. The proposal is compatible with residential use and intended for the storage of vehicles and personal possessions. The location, height, design and setback requirements are in compliance with the City's Development Code. The closest residents are on Hanson. The proposed structure is 180 feet from the front property

line. Two public comments were received in support of the application. Staff is recommending approval.

Commissioner Ferrington stated that her only concern is that she wants to be sure there is little visibility of the structure, but the nearest dwelling is 180 feet away. Ms. Nordine stated that there are trees and a hedge.

Commission Solomonson asked the reason for the location near the other accessory structures.

**Mr. Dennis Jarnot**, Applicant, stated that the new structure will be behind an existing one and not visible. The distance to the nearest dwelling is 180 to 190 feet in front, the south is 320 feet and to the west property line is 210 feet. There is a hedge around the whole property. There are so many trees that one would have to stop in front of the property in order to see the new structure. He has 17 neighbors who abut his property. He has talked to 95% of them, and all are supportive. He is also planning to plant additional pines for winter screening in the 10-foot setback for more screening on that side. The structures are not used from November to April. There is no in and out everyday use because there is no driveway to the structures. It is used for storing collector cars, snowmobiles and a boat.

City Attorney Filla stated that he has reviewed the notices of publication and the required notices have been provided.

Chair Solomonson opened the public hearing.

**Mr. Todd Sharkey**, 4965 Hanson Road, asked if he could distribute some written information to the Commission. He stated that he called in the complaint. The complaint starts on Exhibit B1, where he says that his house is set back 90 feet. He has not taken out a permit. Mr. Jarnot does not have permission. His home is illegal, and Judge Wheeler, Ramsey County District Court, asked the City's Attorney who admitted the house is illegal. Judge Wheeler stated that the road could be barricaded. He will give the neighbors until the end of March to petition the City for a public street or he will barricade. On Exhibit M2 the roadway easement crosses his property. There is no certificate of survey to show how his house got there. There is no variance. He does not follow the rules. If the City does not take action to establish non-conforming rights, the Jarnot house at 1000 Oakridge diminishes property value. Exhibit X1, states that no further accessory structures will be permitted on this property, and he signed it. His house is not within Code. Mr. Jarnot knows he cannot have added accessory structures, but they are there. He has no reason to set his house back 52 feet further than City Code allows. In 2005, when he was denied a minor subdivision it was because it did not face a public street. However, Oakridge Avenue is a public street. Mr. Jarnot and two other property owners do not have public access to their own properties. It is not fair.

**MOTION:** by Commissioner Proud, seconded by Commissioner Schumer to close the public hearing.

**VOTE:**                      Ayes - 6                      Nays - 0

Commissioner Proud stated that material has been presented that needs to be carefully reviewed by the Commission, staff and legal counsel. He would suggest holding this matter over to the next Planning Commission meeting.

City Attorney Filla stated that as the application was completed November 19, there is time to hold the matter over if that is the wish of the Commission. Mr. Sharkey's information mostly has to do with Mr. Jarnot's house. This application is in regard to the accessory structure proposed.

It was the consensus of the Commission to move forward on this application. The information presented by Mr. Sharkey has more to do with access and Mr. Jarnot's house.

MOTION: by Commissioner Schumer, seconded by Commissioner Ferrington to recommend the City Council approve the Conditional Use Permit submitted by Dennis Jarnot, 1000 Oakridge Avenue, for a second detached accessory structure on the property, subject to the following conditions:

1. The project must be completed in accordance with the plans submitted with the applications. Any significant changes to these plans, as determined by the City Planner, will require review and approval by the Planning Commission.
2. The existing vegetation, along that portion of the side property line adjacent to the proposed structure must remain and be maintained.
3. A minimum setback of 10 feet is required from the adjoining side property line.
4. The exterior design and height of the structure shall be residential in scale and be consistent with the existing single family home. The height of the structure as measured from the lowest ground grade to the peak shall not exceed 18'. The exterior sidewalls shall not exceed 10' in height and any interior storage above the main floor shall not exceed 6' in height.
5. The structure shall be used for storage purposes of household and lawn supplies, equipment, [and Commissioner Schumer added] recreational equipment, or automobiles. The structure cannot be used as a residence.
6. The structure shall not be used in any way for commercial purposes.

Said approval is based on the following findings of fact:

1. The proposed accessory structure will maintain the residential use and character of the property and is, therefore, in harmony with the general purposes and intent of the Development Ordinance.

2. The primary use of the property will remain residential and is in harmony with the policies of the Comprehensive Plan.
3. The conditional use permit standards as detailed in the Development Ordinance for residential accessory are met.
4. The structure and/or land use conform to the Land Use Chapter of the Comprehensive Plan and are compatible with the existing neighborhood.

Discussion:

Commissioner McCool offered an amendment to require additional screening with plantings in the 10-foot setback. Commissioners Schumer and Ferrington accepted the amendment.

VOTE ON MOTION WITH AMENDMENT

Ayes - 6

Nays - 0

## **MISCELLANEOUS**

### **City Council Meeting Assignments**

Commissioner McCool will attend the December 17th City Council meeting.

Chair Solomonson stated that he will attend the January 7th City Council meeting for Commissioner Schumer.

Commissioner McCool will attend the January 22nd City Council meeting.

### **2013 Planning Commission Chair & Vice Chair**

Commissioner Schumer nominated Chair Solomonson to serve as Chair for 2013.

Commissioner Ferrington nominated Commissioner Schumer for Vice Chair.

It was the consensus of the Planning Commission to forward these two nominations to the City Council for approval.

## **ADJOURNMENT**

MOTION: by Commissioner McCool, seconded by Commissioner Schumer, to adjourn the regular Planning Commission Meeting of December 13, 2012, at 10:55 p.m.

VOTE: Ayes - 6 Nays - 0



## MOTION SHEET

MOVED BY COUNCILMEMBER \_\_\_\_\_

SECONDED BY COUNCILMEMBER \_\_\_\_\_

To approve the following payment of bills as presented by the finance department.

Date	Description	Amount
12/18/13	Accounts payable	\$202,637.83
12/20/13	Accounts payable	\$788,399.98
12/21/13	Accounts payable	\$78,080.78
12/27/13	Accounts payable	\$130,162.45
12/31/13	Accounts payable	\$172,836.82
01/03/13	Accounts payable	\$148,181.75
<b>Sub-total Accounts Payable</b>		<b>\$ 1,520,299.61</b>
12/28/13	Payroll 124839 to 124887 960009 to 960196	\$167,186.95
<b>Sub-total Payroll</b>		<b>\$ 167,186.95</b>
<b>TOTAL</b>		<b>\$ 1,687,486.56</b>

ROLL CALL:	AYES	NAYS
Johnson		
Quigley		
Wickstrom		
Withhart		
Martin		

01/07/13

## COUNCIL REPORT

Vendor Name	Description	FF	GG	OO	AA	CC	Line Amount	Invoice Amt
ALLEN, DEANNE	MINUTES - 11/13 CC, 12/3 CC	101	40200	3190		001	\$400.00	\$400.00
ALLIED WASTE SERVICES #899	FALL CLEANUP 2012	210	42750	3640			\$18,893.82	\$18,893.82
BOB MICHELS CONSTRUCTION	EROSION RED 3306 OWASSO HTS RES 12-118	101	22030				\$1,000.00	
C W HOULE INC.	FLORAL,DEMAR,F CP12-01 PATMENT NO 5	570	47000	5900			\$80,294.68	\$80,294.68
CCE REGISTRATION	MALONEY AND WESOLOWSKI TERRA CONFERENCE	101	42050	4500			\$300.00	\$300.00
COORDINATED BUSINESS SYSTEMS	MITA LASER MAINTENANCE	101	40550	3860		004	\$248.41	\$248.41
DAKOTA SUPPLY GROUP	BALANCE DUE ON INVOICE/FROM CK#522581	601	45050	2510		001	\$49.00	\$49.00
DYNAMEX DELIVERS NOW/ROADRUNNE	DELIVERY TO EAGAN POST OFFICE - 11/30/12	601	45050	3220		001	\$23.05	\$46.11
		602	45550	3220		001	\$23.06	
EXTERIOR EXPRESSION	EROSION RED 5777 TURTLE LK RD RES 12-118	101	22030				\$500.00	
FSH COMMUNICATIONS LLC	PAYPHONE TELEPHONE	101	40200	3210		001	\$64.13	\$64.13
GRANDMA'S BAKERY	BAKERY FOR EVENT	101	40100	4890		003	\$64.50	\$64.50
GRANDMA'S BAKERY	BAKERY FOR COUNCIL EVENT	101	40100	4890		003	\$38.74	\$38.74
GRANDMA'S BAKERY	EMPLOYEE SERVICE AWARD LUNCHEON	220	43800	2590		001	\$15.00	\$73.81
		101	40200	4890			\$58.81	
GRANDMA'S BAKERY	BAKERY FOR RESALE - WAVE CAFE	220	43800	2590		001	\$15.31	
GRANDMA'S BAKERY	BAKERY FOR RESALE - WAVE CAFE	220	43800	2590		001	\$15.31	\$15.31
GRANDMA'S BAKERY	BAKERY FOR RESALE - WAVE CAFE	220	43800	2590		001	\$16.22	\$16.22
GRANDMA'S BAKERY	BAKERY FOR RESALE - WAVE CAFE	220	43800	2590		001	\$16.22	\$16.22
GRANDMA'S BAKERY	BAKERY FOR RESALE - WAVE CAFE	220	43800	2590		001	\$15.31	\$15.31
GRANDMA'S BAKERY	BAKERY FOR RESALE - WAVE CAFE	220	43800	2590		001	\$16.19	\$16.19
GRANDMA'S BAKERY	BAKERY FOR RESALE - WAVE CAFE	220	43800	2590		001	\$16.16	\$16.16
GRANDMA'S BAKERY	BAKERY FOR RESALE - WAVE CAFE	220	43800	2590		001	\$15.34	\$15.34
GRANDMA'S BAKERY	BAKERY FOR RESALE - WAVE CAFE	220	43800	2590		001	\$15.31	\$15.31
GRANDMA'S BAKERY	BAKERY FOR RESALE - WAVE CAFE	220	43800	2590		001	\$15.34	\$15.34
GRANDMA'S BAKERY	BIRTHDAY CAKES FOR RESALE	220	43800	2591		001	\$19.99	\$19.99
GRANDMA'S BAKERY	BIRTHDAY CAKES FOR RESALE	220	43800	2591		001	\$19.99	\$19.99
GRANDMA'S BAKERY	BIRTHDAY CAKES FOR RESALE	220	43800	2591		001	\$19.99	\$19.99
GRANDMA'S BAKERY	BIRTHDAY CAKES FOR RESALE	220	43800	2591		001	\$19.99	\$19.99
GRANDMA'S BAKERY	BIRTHDAY CAKES FOR RESALE	220	43800	2591		001	\$19.99	\$19.99
GRANDMA'S BAKERY	BIRTHDAY CAKES FOR RESALE	220	43800	2591		001	\$23.93	\$23.93
GRANDMA'S BAKERY	BIRTHDAY CAKES FOR RESALE	220	43800	2591		001	\$19.99	\$19.99
GRANDMA'S BAKERY	BIRTHDAY CAKES FOR RESALE	220	43800	2591		001	\$19.99	\$19.99
GRANDMA'S BAKERY	BIRTHDAY CAKES FOR RESALE	220	43800	2591		001	\$19.99	\$19.99
GRANDMA'S BAKERY	BIRTHDAY CAKES FOR RESALE	220	43800	2591		001	\$19.99	\$19.99
GRANDMA'S BAKERY	BIRTHDAY CAKES FOR RESALE	220	43800	2591		001	\$19.99	\$19.99
GRANDMA'S BAKERY	BIRTHDAY CAKES FOR RESALE	220	43800	2591		001	\$23.75	\$23.75
GRANDMA'S BAKERY	BIRTHDAY CAKES FOR RESALE	220	43800	2591		001	\$19.99	\$19.99
GRANDMA'S BAKERY	BIRTHDAY CAKES FOR RESALE	220	43800	2591		001	\$19.99	\$19.99
GRANDMA'S BAKERY	BIRTHDAY CAKES FOR RESALE	220	43800	2591		001	\$19.99	\$19.99
GRANDMA'S BAKERY	BIRTHDAY CAKES FOR RESALE	220	43800	2591		001	\$19.99	\$19.99
GRANDMA'S BAKERY	BIRTHDAY CAKES FOR RESALE	220	43800	2591		001	\$19.99	\$19.99
GREENHAVEN PRINTING	NOVEMBER-DECEMBER SHOREVIEW	101	40400	3220		001	\$2,896.42	\$20,245.44
		101	40400	3390		001	\$17,349.02	
JOHNSON, KATHLEEN	STORYTELLING CAMP SUMMER 2012	225	43580	3170			\$315.00	\$315.00
LEISURE PRO LTD.	WATER EXERCISE RESISTANCE GLOVES	225	43530	2170		001	\$339.00	
MINNESOTA DEPARTMENT OF REVENUE	SALES USE TAX: NOVEMBER 2012	220	21810				\$11,902.00	\$14,324.00
		701	46500	2120		003	\$103.00	
		601	21810				\$1,157.00	
		101	40500	2010		005	\$43.11	

## COUNCIL REPORT

Vendor Name	Description	FF	GG	00	AA	CC	Line Amount	Invoice Amt
		101	40500	4500		002	\$4.46	
		101	40550	2010		001	\$28.13	
		101	40550	2010		004	\$10.60	
		101	40550	2180		006	\$8.11	
		220	43800	2010		001	\$27.43	
		220	43800	2180		001	\$5.85	
		220	43800	2200		001	\$16.38	
		220	43800	2200		004	\$19.41	
		220	43800	2590		002	\$1.35	
		220	43800	3960			\$148.16	
		220	43800	4500			\$2.75	
		225	43520	2170		002	\$109.66	
		225	43530	2170			\$12.14	
		225	43580	2172			\$6.25	
		225	43580	2172		002	\$24.60	
		405	43710	3810			\$515.63	
		405	43800	3810			\$220.95	
		701	46500	2220		002	\$11.49	
		101	40200	3930		002	-\$5.50	
		101	40200	3930		001	-\$ .63	
		101	40210	3190		009	-\$ .22	
		101	40500	4500			-\$ .19	
		101	42050	2010			-\$ .09	
		101	42200	2180		003	-\$3.94	
		101	43450	2250		003	-\$9.38	
		220	43800	2160		001	-\$ .35	
		220	43800	2160		002	-\$ .51	
		220	43800	2200		001	-\$ .23	
		220	43800	2240		001	-\$ .59	
		220	43800	3190			-\$1.23	
		225	43510	2170		016	-\$ .16	
		225	43520	2170		002	-\$ .12	
		225	43530	2170			-\$ .03	
		225	43530	2170		001	-\$5.22	
		225	43555	2170			-\$ .67	
		225	43580	2170		002	-\$ .09	
		225	43580	2170		003	-\$ .47	
		225	43580	2171			-\$ .04	
		225	43580	2172		001	-\$ .76	
		225	43580	3171			-\$9.02	
		225	43590	2174		002	-\$1.55	
		225	43590	3174		004	-\$2.26	
		601	45050	2280		003	-\$1.67	
		601	45050	2280		005	-\$ .35	
		602	45550	2280		001	-\$1.44	
		602	45550	2280		003	-\$ .12	
		701	46500	2180		001	-\$1.50	
		701	46500	2183		002	-\$ .35	
		701	46500	2220		001	-\$ .79	
		701	46500	2220		002	-\$4.95	
		701	46500	2400		001	-\$ .04	

## COUNCIL REPORT

Vendor Name	Description	FF	GG	OO	AA	CC	Line	Amount	Invoice Amt
MISSION CONSTRUCTION INC	HYDRANT METER DEPOSIT REFUND	601	36180					-\$60.00	\$268.09
		601	36000					-\$16.46	
		601	21810					-\$5.45	
		601	22060					\$350.00	
NORTH STAR MINI STORAGE	SLICE STORAGE UNIT FOR 2013	270	40250	3190				\$1,656.00	
PMA FINANCIAL NETWORK, INC	OCT 2012 BANK FEES	101	40500	4890		004		\$150.18	\$150.18
POSTMASTER	DEPOSIT IN PERMIT IMPRINT #5606 - ZONE 3	602	45550	3220		001		\$450.00	\$900.00
		601	45050	3220		001		\$450.00	
RICOH AMERICAS CORPORATION	LEASE CITY HALL COPIERS	101	40200	3930		002		\$2,199.88	
RICOH USA INC.	MAINTENANCE: COPIES/PARKS	101	40200	3850		002		\$449.43	
SAFELITE FULFILLMENT, INC	INSURANCE CLAIM: UNIT 104 WINDSHIELD	260	47400	4340				\$293.21	\$293.21
SCHAUM, JESSICA	MILEAGE AND PARKING REIMBURSEMENT	101	42050	3270				\$52.41	\$52.41
STONHENG USA	EROSION RED 1021 RED FOX RES 12-79	101	22030					\$10,000.00	\$10,000.00
TDS METROCOM	TELEPHONE SERVICES	101	40200	3210		003		\$1,137.19	
		101	43710	3210				\$253.65	\$1,426.19
		601	45050	3210				\$35.35	
U.S. BANK	2008A IMP BDS PAYING AGENT FEES	378	48200	6200				\$40.03	
		601	48300	6200				\$286.75	
		602	48300	6200				\$70.34	\$425.00
		603	48300	6200				\$27.88	
U.S. BANK	2009A PAYING AGENT FEES	379	48200	6200				\$70.59	
		603	48300	6200				\$354.41	
UPPER CUT TREE SERVICES	PRIVATE TREE REMOVALS W012-34	101	43900	3190		003		\$3,320.93	
UPPER CUT TREE SERVICES	PRIVATE TREE REMOVALS W012-37	101	43900	3190		003		\$2,142.50	\$2,142.50
VANCO SERVICES	NOV FITNESS INCENTIVE PROCESSING FEE	220	43800	3190		003		\$171.00	\$171.00
XCEL ENERGY	ELECTRIC/GAS: MAINTENANCE CENTER	701	46500	3610				\$2,016.89	\$3,326.37
		701	46500	2140				\$1,309.48	
XCEL ENERGY	ELECTRIC: TRAFFIC SIGNAL	101	42200	3610				\$38.49	
XCEL ENERGY	ELECTRIC:SIGNAL SHARED W/NORTH OAKS	101	42200	3610				\$41.43	\$41.43
XCEL ENERGY	ELECTRIC: SIRENS	101	41500	3610				\$57.76	\$57.76
XCEL ENERGY	ELECTRIC: SURFACE WATER	603	45900	3610				\$43.12	\$43.12
XCEL ENERGY	ELECTRIC: SURFACE WATER	603	45900	3610				\$47.22	\$47.22
XCEL ENERGY	ELECTRIC: STREET LIGHTS	604	42600	3610				\$14,552.01	\$14,552.01
XCEL ENERGY	ELECTRIC/GAS: COMMUNITY CENTER	220	43800	2140				\$8,634.10	\$22,874.59
		220	43800	3610				\$14,240.49	
XCEL ENERGY	ELECTRIC: STORM SEWER LIFT STATION	603	45850	4890		003		\$56.15	

Total of all invoices: \$202,637.83

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## COUNCIL REPORT

Vendor Name	Description	FF	GG	OO	AA	CC	Line Amount	Invoice Amt
2ND WIND EXERCISE EQUIPMENT	BARBELL PAD	220	43800	2180		001	\$15.00	\$15.00
2ND WIND EXERCISE EQUIPMENT	SPRI EXERCISE BALL	220	43800	2180		001	\$30.00	\$30.00
AMAZON.COM	WIRELESS PRESENTER/TRAINING BOOK	220	43800	2180		002	\$37.97	\$46.00
		101	40500	4500		010	\$8.03	
ASSURANT ADMINISTRATIVE OFFICE	LONG TERM DISABILITY: NOVEMBER, 2012	101	20412				\$2,528.83	\$2,528.83
BALLOONS FAST.COM	NEW YEARS EVENT SUPPLIES	225	43580	2172		002	\$43.19	
BEARENCE MANAGEMENT GROUP	2012/13 INSURANCE AGENT FEE	101	40500	3410			\$3,157.65	\$11,000.00
		101	40800	3410			\$138.59	
		101	41200	3410			\$96.17	
		101	41500	3410			\$74.41	
		101	43450	3410			\$93.46	
		101	43710	3410			\$1,792.82	
		210	42750	3410			\$45.41	
		220	43800	3410			\$1,385.78	
		225	43400	3410			\$432.52	
		230	40900	3410			\$20.85	
		601	45050	3410			\$1,158.30	
		602	45550	3410			\$421.41	
		603	45850	3410			\$214.99	
		603	45900	3410			\$94.31	
		604	42600	3410			\$75.27	
		701	46500	3410			\$1,798.06	
BSW USA.COM	CABLE	101	40550	2010		001	\$21.61	\$21.61
CLASSIC COLLISION CENTER	PREMIUM FUEL	701	46500	2120		003	\$101.59	\$101.59
COMCAST.COM	MODEM 2 INTERNET CHARGES	230	40900	3190		002	\$126.90	\$126.90
CONSTANT CONTACT.COM	EMAIL MARKETING SERVICE: NOVEMBER 2012	225	43400	4330			\$40.00	\$80.00
		459	43800	3190		007	\$40.00	
DAVINI, MARY	PASS REFUND	220	22040				\$20.46	\$20.46
DEAL SMART	EMPLOYEE EVENT SUPPLIES	101	40210	4890		003	\$24.47	
DEAL SMART	EMPLOYEE EVENT SUPPLIES	101	40210	4890		003	\$104.82	\$104.82
DISCOUNT MUGS.COM	EMPLOYEE EVENT SUPPLIES	101	40210	4890		003	\$160.80	\$160.80
DOLLAR GENERAL STORE #10816	EMPLOYEE EVENT SUPPLIES	101	40210	4890		003	\$16.07	\$16.07
DOLLAR GENERAL STORE #10816	EMPLOYEE EVENT SUPPLIES	101	40210	4890		003	\$15.00	\$15.00
GENESIS EMPLOYEE BENEFITS, INC	FLEX - MED/DEPENDENT CARE 12-21-12	101	20431				\$889.41	\$1,218.15
		101	20432				\$328.74	
GOVERNMENT TRAINING SERVICE	LG LOCAL GOVTS ANNUAL MEETING/PROGRAM	101	40100	4500			\$30.00	\$30.00
GRAND VIEW LODGE	LEAUGE OF MN CONFERENCE LODGING: JOHNSON	101	15500				\$157.64	\$157.64
HAWKINS, INC.	POOL & WHIRLPOOL CHEMICALS	220	43800	2160		001	\$1,447.29	
KARGER, GAIL	DEFENSIVE DRIVE 4 HR	220	22040				\$16.00	\$16.00
KELLY & LEMMONS, P.A.	NOVEMBER 2012 LEGAL FEES	101	40600	3020			\$2,534.00	\$7,392.65
		101	40600	3030			\$3,800.65	
		101	40600	3040			\$1,058.00	
KUNC, MARIANO	ICE SKATING PRE-SNOP	220	22040				\$119.00	\$119.00
LEAGUE OF MN CITIES INS TRUST	WORKERS' COMP 1ST INSTALLMENT 2012/13	101	40100	1510			\$26.89	
		101	40200	1510			\$603.25	
		101	40210	1510			\$313.34	\$39,457.50
		101	40400	1510			\$129.78	
		101	40500	1510			\$739.44	
		101	40550	1510			\$283.73	
		101	40800	1510			\$126.57	
		101	41500	1510			\$5.18	

## COUNCIL REPORT

Vendor Name	Description	FF	GG	OO	AA	CC	Line Amount	Invoice Amt
		101	42050	1510			\$794.21	
		101	42200	1510			\$6,018.70	
		101	43400	1510			\$1,521.56	
		101	43450	1510			\$338.75	
		101	43710	1510			\$4,657.95	
		101	43900	1510			\$83.15	
		101	44100	1510			\$615.58	
		101	44300	1510			\$124.84	
		210	42750	1510			\$28.37	
		220	43800	1510			\$3,558.29	
		225	43400	1510			\$1,400.17	
		225	43510	1510			\$116.45	
		225	43520	1510			\$960.75	
		225	43530	1510			\$1,424.60	
		225	43535	1510			\$1,130.01	
		225	43555	1510			\$518.12	
		225	43560	1510			\$517.63	
		225	43580	1510			\$159.38	
		225	43590	1510			\$461.38	
		230	40900	1510			\$52.55	
		240	44400	1510			\$37.50	
		241	44500	1510			\$63.66	
		601	45050	1510			\$4,514.60	
		602	45550	1510			\$3,702.87	
		603	45850	1510			\$2,838.10	
		603	45900	1510			\$34.30	
		604	42600	1510			\$62.91	
		701	46500	1510			\$1,492.94	
LEEANN CHIN.COM	COUNCIL BUDGET WORKSHOP/EDA SUPPLIES	101	40100	4890		003	\$173.53	\$173.53
MARSHALL'S	EMPLOYEE EVENT SUPPLIES	101	40210	4890		003	\$11.76	\$11.76
MATHESON TRI-GAS INC	CO2 FOR WHIRLPOOL	220	43800	2160		002	\$89.13	
METRO LEASING COMPANY	PUSH PEDAL PULL CARDIO LEASE - DEC 2012	220	43800	3960			\$1,445.35	\$1,445.35
MEYER, JAMIE	TUITION REIMBURSEMENT	601	45050	4500			\$500.00	\$843.88
		602	45550	4500			\$343.88	
MICHAELS - ARTS AND CRAFTS	SCHOOLS OUT CAMP SUPPLIES	225	43580	2170		002	\$51.71	\$51.71
MICHAELS - ARTS AND CRAFTS	EMPLOYEE EVENT SUPPLIES	101	40210	4890		003	\$15.26	\$15.26
NEOFUNDS BY NEOPOST	POSTAGE FOR POSTAGE MACHINE/SUPPLIES	101	40200	3220			\$4,000.00	\$4,158.17
		101	40200	2010		002	\$158.17	
ORIENTAL TRADING COMPANY	NEW YEARS EVE SUPPLIES	225	43580	2172		002	\$461.35	
PARTY AND PAPER WAREHOUSE.COM	NEW YEARS EVENT SUPPLIES	225	43580	2172		002	\$136.98	\$136.98
PETTY CASH - CITY OF SHOREVIEW	REPLENISH PETTY CASH FOR PARK & REC	225	43590	2174		003	\$3.87	\$127.50
		225	43590	2174		002	\$51.75	
		225	43555	2170			\$10.00	
		225	43560	2170			\$3.97	
		220	43800	2590		001	\$19.96	
		225	43580	2172		001	\$31.50	
		225	43580	2172		002	\$6.43	
		225	34900				\$0.02	
PICKLEBALL PADDLES PLUS.COM	PICKLEBALL BALLS INDOOR SUPPLIES	225	43510	2170		016	\$13.43	\$26.85
		220	43800	2180		002	\$13.42	
PLUG'N PAY TECHNOLOGIES INC.	NOV/RETAIL/CC FEES	220	43800	4890		002	\$194.06	

## COUNCIL REPORT

Vendor Name	Description	FF	GG	00	AA	CC	Line Amount	Invoice Amt
PLUG'N PAY TECHNOLOGIES INC.	NOV/ECOMM/CC FEES	225	43400	4890			\$39.86	
		220	43800	4890		002	\$5.73	
		225	43400	4890			\$13.02	\$18.75
POSTER REVOLUTION.COM	NEW YEARS EVENT SUPPLIES	225	43580	2172		002	\$90.85	
RUDEBUSCH, DEANNA	PORTERHOUSE LUNCH	220	22040				\$5.00	\$5.00
SAM'S CLUB DIRECT	SKATE WITH SANTA SUPPLIES	225	43580	2172		001	\$59.23	\$59.23
SHINDIGZ.COM	NEW YEARS EVENT SUPPLIES	225	43580	2172		002	\$64.96	\$64.96
SOLA, BECKY	MILEAGE REIMBURSEMENT/PROGRAM SUPPLIES	225	43580	2172		001	\$13.23	\$92.54
		101	43400	3270			\$79.31	
SPRINGSTED, INCORPORATED	2011 CONTINUING DISCLOSURE SERVICES	101	40500	4890		006	\$2,600.00	\$2,600.00
SUPER MAGNET MAN.COM	NEW YEARS EVENT SUPPLIES	225	43580	2172		002	\$135.57	\$135.57
TARGET.COM	EMPLOYEE EVENT SUPPLIES	101	40210	4890		003	\$205.96	\$205.96
TECH REPUBLIC	ANNUAL SUBSCRIPTION	101	40550	4330		004	\$99.00	\$99.00
U S BANK/REVTRAK	NOVEMBER 2012 CREDIT CARD FEES	101	44300	4890			\$199.87	
		101	44100	4890			\$45.63	\$10,235.29
		220	43800	4890		002	\$2,899.79	
		225	43400	4890			\$893.42	
		601	45050	4890		003	\$3,098.29	
		602	45550	4890		003	\$3,098.29	
U.S. BANK	TREADMILL LEASE/ONE SOURCE FIT/DEC 2012	220	43800	3960			\$1,065.99	
UNITED PARCEL SERVICE	SHIPPING SERVICE TO RADAR SIGN	101	40200	3220			\$50.09	\$50.09
USA PICKLEBALL ASSOCIATION	PICKLEBALL PORTABLE NET SYSTEM	225	43510	2170		016	\$237.00	\$474.00
		220	43800	2180		002	\$237.00	
USA PICKLEBALL ASSOCIATION	MEMBERSHIP: 1 YEAR	225	43510	2170		016	\$12.50	
		220	43800	2180		002	\$12.50	\$25.00
VENTURE PASS PARTNERS LLC	PHASE 2 RETAIL TIF ASSISTANCE	416	44100	4890			\$500,000.00	\$700,000.00
		307	44100	4890			\$200,000.00	
VILLELLA, GINO	VOLLEYBALL GRADE 6-8	220	22040				\$49.00	\$49.00
WASP BAR CODE TECHNOLOGIES	BAR CODE SCANNERS	101	40550	3860		004	\$508.00	
XCEL ENERGY	ELECTRIC: TRAFFIC SIGNALS	101	42200	3610			\$567.30	\$567.30
XCEL ENERGY	ELECTRIC: WATER TOWERS	601	45050	3610			\$57.79	\$57.79
XCEL ENERGY	ELECTRIC:SIGNAL SHARED W/ARDEN HILLS	101	42200	3610			\$37.03	\$37.03
XCEL ENERGY	ELECTRIC: SLICE OF SHOREVIEW	270	40250	3610			\$10.27	\$10.27
Total of all invoices:							\$788,399.98	

## COUNCIL REPORT

Vendor Name	Description	FF	GG	OO	AA	CC	Line Amount	Invoice Amt
AARP A/O WILLIAM GILLIES	DEF DRIVING	225	43590	3174		003	\$384.00	
AARP C/O RAY MURRAY	DEF DRIVE ON 12/3 & 4	225	43590	3174		003	\$342.00	\$342.00
AARP C/O TOY, BOY	DEF DRIVE CLASS ON 12/18/12	225	43590	3174		003	\$270.00	\$270.00
AMSAN BRISSMAN KENNEDY	CLEANING SUPPLIES CC	220	43800	2110			\$106.88	\$106.88
BEISSWENGERS HARDWARE	CLEANING SUPPLIES CC	220	43800	2110			\$40.57	\$40.57
BEISSWENGERS HARDWARE	CLEANING SUPPLIES CC	220	43800	2110			\$25.74	\$25.74
CULLIGAN	IRON FILTER FOR POOL	220	43800	3950			\$94.05	\$94.05
E.G. RUD & SONS, INC.	INSTALL LOT CORNER ST LIGHT PROJ 12-06	604	42600	5300			\$299.00	\$299.00
GRAINGER, INC.	REPAIR SUPPLIES CC	220	43800	2240		001	\$162.82	\$162.82
GRAINGER, INC.	REPAIR SUPPLIES CC	220	43800	2240		001	\$116.31	\$116.31
MENARDS CASHWAY LUMBER **FRIDL	TOOLS	601	45050	2400		001	\$166.35	\$166.35
MINNESOTA COACHES INC	SENIOR CHANHASSEN	225	43590	3174		004	\$625.00	\$625.00
PARTY AMERICA CORPORATE OFFICE	NYE SUPPLIES HAIR/NAILS	225	43580	2172		002	\$123.53	\$123.53
ROYAL TEXTILE MANUFACTURING	UNIFORM SUPPLIES	220	43800	3970			\$325.97	\$325.97
SAM'S CLUB DIRECT	MEMBERSHIP REFRESHMENTS	220	43800	2180			\$351.70	\$351.70
SIGNATURE LIGHTING INC	ST LIGHT UPGRADE RED FOX PROJ 12-04	572	47000	5900			\$22,672.72	\$22,672.72
SIMPLEXGRINNELL LP	FIRE EXTINGUISHER INSPECTION	220	43800	3190		004	\$156.40	\$156.40
TARGET COMMERCIAL INVOICE	NYE SUPPLIES - HAIR/NAILS	225	43580	2172		002	\$149.04	\$149.04
TECHNOGYM USA	FITNESS CNTR EQUIP: 3 TECHNOGYM KINESIS	405	43800	2180			\$10,943.46	\$10,943.46
TRAFFIC CONTROL CORPORATION	TRAFFIC SIGNAL EQUIP PREPURCHASE CP12-04	572	47000	5900			\$39,260.53	\$39,260.53
YALE MECHANICAL INC	CHECKED ROOFTOP HEATING UNIT	220	43800	3810		003	\$458.50	\$458.50
YALE MECHANICAL INC	CHECKED ON TEMPERATURE OF SERVER ROOM	220	43800	3810		001	\$402.75	\$402.75
YALE MECHANICAL INC	AHU-5 INSPECTED AND REPAIRED	220	43800	3810		003	\$347.00	\$347.00
YOUNG, LESLEY	REIMBURSEMENT SENIOR SUPPLIES	225	43590	2174		002	\$256.46	\$256.46
Total of all invoices:								\$78,080.78



## COUNCIL REPORT

Vendor Name	Description	FF	GG	OO	AA	CC	Line Amount	Invoice Amt
ZAUHAR, CHRISTINA	PASS REFUND	220	22040				-\$48.20	-\$48.20
AMSAN BRISSMAN KENNEDY	CLEANING SUPPLIES CC	220	43800	2110			\$297.81	\$297.81
CCE REGISTRATION	EDUCATION - STEVE NELSON	101	44300	4500			\$120.00	
CCE REGISTRATION	EDUCATION - CECILIA LUKOSKIE	101	44300	4500			\$120.00	\$120.00
CINBIS, CAN	PASS REFUND	220	22040				\$326.73	\$326.73
COCA COLA REFRESHMENTS	WAVE CAFE BEVERAGE FOR RESALE	220	43800	2590		001	\$571.66	\$571.66
COCA COLA REFRESHMENTS	WAVE CAFE BEVERAGE FOR RESALE	220	43800	2590		001	\$409.46	\$409.46
COMMISSIONER OF REVENUE- WH TA	WITHHOLDING TAX - PAYDATE 12/28/12	101	21720				\$9,112.06	
COMMUNITY HEALTH CHARITIES - M	EMPLOYEE CONTRIBUTIONS: 12-28-12	101	20420				\$103.25	\$103.25
DA CAPO MUSIC LLC DBA YES!FITN	WINTER 2013 GROUP FITNESS MUSIC	225	43530	2170		003	\$50.90	\$50.90
GENESIS EMPLOYEE BENEFITS, INC	VEBA CONTRIBUTIONS: 12-28-12	101	20418				\$5,640.00	\$5,640.00
HEGGIE'S PIZZA LLC	WAVE CAFE FOOD FOR RESALE	220	43800	2590		001	\$343.90	\$343.90
ICMA/VANTAGEPOINT TRANSFER-300	EMPLOYEE CONTRIBUTION PYPRD END:12-21-12	101	21750				\$4,438.96	\$4,438.96
ICMA/VANTAGEPOINT TRANSFER-705	ROTH CONTRIBUTIONS: PAYDATE 12/28/12	101	20430				\$265.00	\$265.00
INTERMEDIATE SCHOOL, WESTWOOD	FACILITY REFUND	220	22040				\$83.04	\$83.04
LEAGUE OF MN CITIES INS TRUST	2012/13 VOLUNTEER ACC PLAN	101	40500	3410			\$1,450.00	\$1,450.00
MAGLICH, PATRICK	PASS REFUND	220	22040				\$317.21	\$317.21
MCMAHON, DAN	POSTERS	101	40100	4890			\$805.84	\$805.84
MINNESOTA CHILD SUPPORT PAYMEN	PAYDATE: 12-28-12	101	20435				\$217.50	\$217.50
MINNESOTA ENVIRONMENTAL FUND	EMPLOYEE CONTRIBUTIONS: 12-28-12	101	20420				\$27.00	\$27.00
MINNESOTA METRO NORTH TOURISM	NOV HOTEL/MOTEL TAX/3 SITES	101	38420				-\$757.62	\$14,394.86
		101	22079				\$15,152.48	
PETERSON, BRENDA	FACILITY REFUND	220	22040				\$25.76	\$25.76
PRO-TEC DESIGN	CAMERA PROBLEM TROUBLESHOOTING	101	40550	3860		008	\$387.72	
PUBLIC EMPLOYEES RETIREMENT AS	EMPL/EMPLOYER CONTRIBUTIONS: 12/28/12	101	21740				\$29,612.87	\$29,612.87
PUBLIC EMPLOYEES RETIREMENT AS	PERA DEFINED CONTRIBUTIONS: 12-28-12	101	21740				\$243.50	\$243.50
RAMSEY COUNTY	TRAFFIC SIGNAL EQUIP PREPURCHASE CP12-04	572	47000	5900			\$4,675.00	\$4,675.00
SHOREVIEW HISTORICAL SOCIETY	BOOK SALES	101	22079		302		\$20.00	\$20.00
SHOREVIEW NORTHERN LIGHTS BAND	HOLIDAY TICKET SALES	101	22079		301		\$830.00	\$830.00
SPRINT	CELL PHONES:11/15/12-12/14/12	601	45050	3190			\$300.00	\$979.78
		101	44300	3190			\$40.00	
		101	40200	3210		002	\$639.78	
SUNNYSIDE ELEMENTARY	FACILITY REFUND	220	22040				\$113.00	\$113.00
TARGET COMMERCIAL INVOICE	EDA AND COUNCIL SUPPLIES	240	44400	2180			\$64.78	\$159.95
		101	40100	4890		003	\$95.17	
THEISEN, DAVID	PASS REFUND	220	22040				\$337.44	\$337.44
TREASURY, DEPARTMENT OF	FEDERAL WITHHOLDING TAX: 12/28/12	101	21710				\$21,992.89	\$50,701.35
		101	21730				\$22,013.66	
		101	21735				\$6,694.80	
UNITED WAY - GREATER TWIN CITI	EMPLOYEE CONTRIBUTIONS: 12-28-12	101	20420				\$99.00	
WATSON COMPANY	WAVE CAFE FOOD FOR RESALE	220	43800	2590		001	\$4.74	\$4.74
WATSON COMPANY	WAVE CAFE FOOD FOR RESALE	220	43800	2590		001	\$1,782.56	\$1,782.56
WATSON COMPANY	WAVE CAFE COFFEE FOR RESALE	220	43800	2590		001	\$238.06	\$306.78
		101	40800	2180			\$68.72	
WATSON COMPANY	WAVE CAFE FOOD FOR RESALE	220	43800	2590		001	\$74.04	
WATSON COMPANY	WAVE CAFE FOOD FOR RESALE	220	43800	2590		001	\$664.94	\$664.94
WATSON COMPANY	WAVE CAFE FOOD FOR RESALE	101	40800	2180			\$48.84	\$48.84
ZAUHAR, CHRISTINA	PASS REFUND	220	22040				\$48.20	\$48.20

Total of all invoices: \$130,162.45

## COUNCIL REPORT

Vendor Name	Description	FF	GG	OO	AA	CC	Line Amount	Invoice Amt
A-1 HYDRAULICS SALES & SERVICE	PARTS FOR MV-2	701	46500	2220		002	\$71.40	
ABLE HOSE & RUBBER INC.	BRASS NOZZLE FOR VAC-CON	701	46500	2220		002	\$26.77	\$26.77
ACE SOLID WASTE	DUMPSTER SERVICE CC AND PARKS	220	43800	3640			\$1,124.14	\$1,276.73
		101	43710	3950			\$152.59	
AEROMAT PLASTICS	NEW PLASTIC TENNIS PRACTICE BOARDS 2X	101	43710	2240			\$2,735.83	\$2,735.83
AMBO	2013 DUES/NELSON	101	44300	4330			\$100.00	
AMERI PRIDE LINEN & APPAREL SE	UNIFORM RENTALS - MAINTENANCE CENTER	101	42200	3970			\$43.47	\$173.83
		601	45050	3970			\$43.47	
		602	45550	3970			\$43.47	
		603	45850	3970			\$21.71	
		701	46500	3970			\$21.71	
AMERI PRIDE LINEN & APPAREL SE	UNIFORM RENTALS - MAINTENANCE CENTER	101	42200	3970			\$42.61	\$170.43
		601	45050	3970			\$42.61	
		602	45550	3970			\$42.61	
		603	45850	3970			\$21.30	
		701	46500	3970			\$21.30	
AMERI PRIDE LINEN & APPAREL SE	UNIFORM RENTALS - MAINTENANCE CENTER	101	42200	3970			\$43.47	\$173.83
		601	45050	3970			\$43.47	
		602	45550	3970			\$43.47	
		603	45850	3970			\$21.71	
		701	46500	3970			\$21.71	
AMERI PRIDE LINEN & APPAREL SE	UNIFORM RENTALS - MAINTENANCE CENTER	101	42200	3970			\$43.47	\$173.83
		601	45050	3970			\$43.47	
		602	45550	3970			\$43.47	
		603	45850	3970			\$21.71	
		701	46500	3970			\$21.71	
AMERICAN FASTENER	HARDWARE AND CABLE TIES	101	43710	2240			\$139.97	\$170.44
		701	46500	2180			\$30.47	
AMERICAN RED CROSS-HEALTH & SA	LG CLASS 8 PARTICIPANTS- NOVEMBER	225	43520	2170		003	\$280.00	
AMERICAN RED CROSS-HEALTH & SA	1 CPR/AED 8 CPR/AED/FA COMM. NOV 28	225	43520	2170		001	\$235.00	\$235.00
AMERICAN RED CROSS-HEALTH & SA	3 LG MASKS FOR NOV CLASS	225	43520	2170		003	\$46.93	
AMSAN BRISSMAN KENNEDY	CLEANING SUPPLIES CC	220	43800	2110			\$1,942.14	
AMSAN BRISSMAN KENNEDY	CLEANING SUPPLIES CC	220	43800	2110			\$1,534.91	\$1,534.91
AMSAN BRISSMAN KENNEDY	CLEANING SUPPLIES CC	220	43800	2110			\$2,298.54	\$2,298.54
AMSAN BRISSMAN KENNEDY	CLEANING SUPPLIES CC	220	43800	2110			\$2,347.03	\$2,347.03
ARAMARK REFRESHMENT SERVICES	COFFEE & SUPPLIES MAINTENANCE CENTER	701	46500	2183		003	\$131.83	\$131.83
ARCHETYPE SIGNMAKERS	COMMUNITY CENTER REPLACEMENT SIGNS	220	43800	2180		002	\$288.16	\$288.16
ARDEN HILLS NOW BIKES	FITNESS CENTER EQUIPMENT REPAIR	220	43800	2240		002	\$200.00	\$200.00
ATHLETIC OUTFITTERS	LOGO AND NAME EMBROIDERY	101	42200	3970		001	\$7.86	
		601	45050	3970		001	\$7.86	
		602	45550	3970		001	\$7.86	
		603	45850	3970		001	\$3.96	
		701	46500	3970		001	\$3.96	\$31.50
AUSTINSON, JOHN	BASKETBALL REF DEC 20 & 27	225	43510	3190		002	\$115.00	\$115.00
AUTO PLUS	PROPANE	701	46500	2180		001	\$24.57	\$24.57
AWARDS BY HAMMOND INC	NAME PLATES FOR GILLIGAN AND MARYANN	101	40210	4890		003	\$19.00	\$19.00
BACHRACH, BRI	REIMBURSEMENT FOR SWIM CLINIC	220	43800	4500			\$95.00	
BAILEY, JEREMY	REIMBURSEMENT:WARMING HOUSE SUPPLIES	225	43590	2170		001	\$16.35	\$16.35
BDI	BEARINGS FOR TORO BLOWER	701	46500	2220		002	\$66.93	\$66.93
BEISSWENGERS HARDWARE	MINI KNIFE TO OPEN ICEMELT BAGS	101	43710	2400			\$5.24	\$5.24
BEISSWENGERS HARDWARE	TOOL BOX FOR MV-2	101	42200	2400		001	\$10.68	\$10.68

## COUNCIL REPORT

Vendor Name	Description	FF	GG	OO	AA	CC	Line Amount	Invoice Amt
BEISSWENGERS HARDWARE	SHOP SUPPLIES	701	46500	2180		001	\$7.69	\$7.69
BEISSWENGERS HARDWARE	CHAINS	601	45050	2280		002	\$28.41	\$28.41
BEISSWENGERS HARDWARE	DECK SCREWS	101	43710	2240			\$4.80	\$4.80
BIGEYEINTHESKY.COM	PANORAMA VIRTUAL TOUR	459	43800	3190		007	\$499.00	\$499.00
BOYER TRUCK PARTS INC.	HEATER REPAIR ON UNIT 204	701	46500	2220		001	\$183.02	\$365.42
		701	46500	3190		001	\$182.40	
BRADLEY & DEIKE, PA	STONEHENGE	101	22020				\$578.00	\$578.00
BRADLEY & DEIKE, PA	SINCLAIR	101	22020				\$34.00	\$34.00
BRADLEY & DEIKE, PA	GENERAL TIF	240	44400	3190			\$289.00	\$289.00
CARDTRONICS	ATM MACHINE FOR CC	220	43800	2180		002	\$2,463.88	\$2,463.88
CDW GOVERNMENT, INC	CARD SWIPER FOR TESTING	101	40550	2010			\$78.66	\$78.66
CDW GOVERNMENT, INC	TRAY FOR STANDING DESK	101	40550	2010		004	\$92.97	\$92.97
CDW GOVERNMENT, INC	PC REPLACEMENTS	422	40550	5800			\$218.90	\$218.90
CITY SIGNS	NAMEPLATE - EMY JOHNSON	101	40100	4890		003	\$39.23	\$39.23
CORPORATE CONNECTION	UNIFORM SHIRTS AND SWEATSHIRTS	101	42200	3970		001	\$199.17	\$796.63
		601	45050	3970		001	\$199.17	
		602	45550	3970		001	\$199.17	
		603	45850	3970			\$99.56	
		701	46500	3970			\$99.56	
CUMMINS NPOWER LLC	GENERATOR REPAIR	220	43800	3810		003	\$780.78	
CUMMINS NPOWER LLC	GENERATOR REPAIR	220	43800	3810		003	\$660.85	\$660.85
DAVIS LOCK & SAFE	KEYS FOR PARK BUILDING WARMING HOUSES	101	43710	2240			\$44.89	\$44.89
DIAMOND SURFACES INC.	DIAMOND GRINDING DEMAR, HAWES, RUSTIC	404	42200	3190			\$32,274.00	\$32,274.00
DYNAMIX MUSIC	WINTER 2013 GROUP FITNESS MUSIC-DYNAMIX	225	43530	2170		003	\$162.90	\$162.90
EMERGENCY AUTOMOTIVE	LENS COVERS FOR STROBE LIGHTS	701	46500	2180		001	\$144.28	\$144.28
ENGBLOM, DEBRA R.	MILEAGE REPORT 2012	101	40500	4500		004	\$182.89	
ESCH CONSTRUCTION SUPPLY INC	DO ALL BLADE	601	45050	2400		001	\$287.49	\$287.49
FACTORY MOTOR PARTS COMPANY	BATTERY FOR STOCK	701	46500	2180		001	\$71.30	\$71.30
FITNESS DISTRIBUTING INC.	KETTLEBELLS FOR FITNESS CLASSES	225	43530	2170		001	\$430.17	\$430.17
FLAHERTY'S ARDEN BOWL	LITTLE STRIKERS(DEC 26-28; 10 KIDS)	225	43510	3190		012	\$280.00	\$280.00
FLEETPRIDE	BRAKE SUPPLIES	701	46500	2180		001	\$425.41	\$425.41
FLEETPRIDE	FUEL ADDITIVE	701	46500	2120		004	\$32.78	\$32.78
GENESIS EMPLOYEE BENEFITS, INC	ADMINISTRATION FEE VEBA:DECEMBER 2012	101	20416				\$364.90	\$364.90
GENESIS EMPLOYEE BENEFITS, INC	FLEX - MED/DEPENDENT CARE 12/28/12	101	20431				\$906.32	\$906.32
GOPHER	PICKLEBALL SUPPLIES - SCOOTER	225	43510	2170		016	\$36.36	\$36.36
GRAINGER, INC.	NIGHT LITE TIMER FOR SHAMROCK BUILDING.	101	43710	2240			\$71.18	\$71.18
GRANDMA'S BAKERY	BAKERY FOR RESALE - WAVE CAFE	220	43800	2590		001	\$15.28	\$15.28
GRANDMA'S BAKERY	BAKERY FOR RESALE - WAVE CAFE	220	43800	2590		001	\$15.27	\$15.27
GRANDMA'S BAKERY	BAKERY FOR RESALE - WAVE CAFE	220	43800	2590		001	\$15.27	\$15.27
GRANDMA'S BAKERY	BAKERY FOR RESALE - WAVE CAFE	220	43800	2590		001	\$15.27	\$15.27
GRANDMA'S BAKERY	BAKERY FOR RESALE - WAVE CAFE	220	43800	2590		001	\$15.27	\$15.27
GRANDMA'S BAKERY	BAKERY FOR RESALE - WAVE CAFE	220	43800	2590		001	\$16.15	\$16.15
GRANDMA'S BAKERY	BAKERY FOR RESALE - WAVE CAFE	220	43800	2590		001	\$15.27	\$15.27
GRANDMA'S BAKERY	BAKERY FOR RESALE - WAVE CAFE	220	43800	2590		001	\$16.15	\$16.15
GRANDMA'S BAKERY	BAKERY FOR RESALE - WAVE CAFE	220	43800	2590		001	\$15.30	\$15.30
GRANDMA'S BAKERY	BAKERY FOR RESALE - WAVE CAFE	220	43800	2590		001	\$16.18	\$16.18
GRANDMA'S BAKERY	BAKERY FOR RESALE - WAVE CAFE	220	43800	2590		001	\$16.18	\$16.18
GRANDMA'S BAKERY	BAKERY FOR RESALE - WAVE CAFE	220	43800	2590		001	\$15.30	\$15.30
GRANDMA'S BAKERY	BIRTHDAY CAKES FOR RESALE	220	43800	2591		001	\$19.99	\$19.99
GUTZMAN, VAL	PASS REFUND	220	22040				\$64.27	\$64.27
H & L MESABI, INC.	PLOW BLADES	701	46500	2180		001	\$552.52	\$1,105.04

## COUNCIL REPORT

Vendor Name	Description	FF	GG	OO	AA	CC	Line Amount	Invoice Amt
		701	46500	2220		002	\$552.52	
HARDDRIVES, INC.	WINTER MIX ASPHALT	101	42200	2180		002	\$1,263.26	\$1,263.26
HEGGIE'S PIZZA LLC	WAVE CAFE FOOD FOR RESALE	220	43800	2590		001	\$357.30	\$357.30
INTERNATIONAL CODE COUNCIL	EDUCATION - STEVE NELSON	101	44300	4500			\$266.00	\$266.00
INTERNATIONAL CODE COUNCIL	EDUCATION - CECILIA LUKOSKIE	101	44300	4500			\$133.00	\$133.00
JEFF ELLIS & ASSOCIATES, INC	FALL AQUATIC SAFETY AUDIT	220	43800	3190		007	\$850.00	\$850.00
JOHN A. DALSIN & SON INC	GYM ROOF REPAIRS	220	43800	3810		003	\$878.01	\$878.01
JOHNSON, WALTER	MILEAGE REIMBURSEMENT	101	41500	3270			\$192.03	\$192.03
LAKE JOHANNA FIRE DEPT	STATION 3 CEILING TILE REPLACEMENT	405	41200	3190			\$2,945.00	\$2,945.00
LAKE JOHANNA FIRE DEPT	FIRE STATION-REPLACE LCD TV	405	41200	3190			\$1,167.94	\$1,167.94
LIFE FITNESS	SERVICE ON MOTOR CONTROLLER	220	43800	2180		001	\$696.92	\$696.92
LINDERS GREENHOUSE *** ST. PAU	OUTDOOR DECORATIONS	459	43800	3190		007	\$887.03	\$887.03
MBPTA	MEMBER DUES: 2013/NELSON/LUKOSKIE	101	44300	4330			\$100.00	\$100.00
MENARDS CASHWAY LUMBER **FRIDL	SMALL TOOLS	101	42200	2400		001	\$98.23	\$98.23
MENARDS CASHWAY LUMBER *MAPLEW	TOOLS	101	42200	2400		001	\$180.08	\$180.08
MIDWEST SPECIAL SERVICES, INC	LOCKER ROOM CLEANING	220	43800	3190		002	\$180.35	\$180.35
MOSLEY, ZEBBIE	BASKETBALL REF DEC 20 & 27	225	43510	3190		002	\$138.00	\$138.00
MOUNDS VIEW PUBLIC SCHOOLS	NOVEMBER LG CLASS	225	43520	3190		003	\$49.50	\$49.50
NAPA AUTO PARTS	FILTER FOR TRACKLESS	701	46500	2220		002	\$13.92	\$13.92
NCPERS MINNESOTA	PERA LIFE INSURANCE: JANUARY 2013	101	20413				\$240.00	\$240.00
NORTHWEST YOUTH & FAMILY SERVI	2013 CITY PARTICIPATION	101	40100	3200		003	\$42,526.00	
O'DAY EQUIPMENT, LLC	AIM II UNIT FOR NEW 207	701	46500	2220		001	\$367.23	\$367.23
OFFICE DEPOT	GENERAL OFFICE SUPPLIES	220	43800	2010		001	\$7.12	\$47.17
		101	40200	2010		002	\$40.05	
OFFICE DEPOT	TONER/GENERAL OFFICE SUPPLIES	101	40550	2010		002	\$44.48	
		101	40200	2010		002	\$42.11	\$86.59
OFFICE DEPOT	COUNCIL BOOK BINDERS	101	40100	2180			\$67.97	
OFFICE DEPOT	GENERAL OFFICE SUPPLIES	101	40200	2010		006	\$5.20	\$86.23
		225	43580	2172		002	\$38.73	
		101	40200	2010		002	\$42.30	
OFFICE DEPOT	TONER 38A	101	40550	2010		002	\$89.76	\$89.76
OFFICE DEPOT	CALCULATOR	101	40500	2010		004	\$128.37	\$128.37
OLSON, BARBARA	FACILITY REFUND	220	22040				\$50.00	\$50.00
ORKIN EXTERMINATING CO., INC.	PEST CONTROL SERVICES	220	43800	3190			\$162.15	\$162.15
PARTY AMERICA CORPORATE OFFICE	SUPPLIES FOR NYE	225	43580	2172		002	\$73.58	\$73.58
PERREAULT, MADLYNN	QUICK START MUSIC	220	22040				\$10.00	\$10.00
PETERSON, LAURA	FACILITY REFUND	220	22040				\$50.00	\$50.00
PLUMBMASTER, INC	REPAIR SUPPLIES CC	220	43800	2240		001	\$702.55	\$702.55
PLUMBMASTER, INC	REPAIR SUPPLIES CC	220	43800	2240		001	\$996.25	
PMA FINANCIAL NETWORK, INC	NOV 2012 BANK FEES	101	40500	4890		004	\$169.85	\$169.85
PORTERHOUSE STEAK AND SEAFOOD	SHORELINER HOLIDAY LUNCHEON	225	43590	3174		002	\$1,534.40	\$1,534.40
PRODUCTION 101, INC	SUPERSITTER BOOKS- 10 BOOKS	225	43580	2170		001	\$58.00	\$58.00
PROGRESSIVE CONSULTING ENGINEE	DESIGN FEE - 2012 WATER SYSTEM IMP	443	47000	5910			\$3,360.50	\$3,360.50
RAMSEY COUNTY	2012 SUPPLEMENTARY SHERIFF WATER PATROL	101	41100	3990			\$7,872.00	\$7,872.00
RAMSEY COUNTY	911 SERVICES DECEMBER 2012	101	41100	3198			\$8,062.67	
RAMSEY COUNTY PROPERTY RECORDS	EMERGENCY COMMUNICATION RADIO USER FEE	701	46500	4330			\$134.16	\$134.16
RICOH USA INC.	MAINTENANCE: COPIES MPC6501	101	40200	3850		002	\$2,625.20	\$2,625.20
RIGHT-WAY SIGNS, INC.	MAGNETIC MATERIAL FOR SIGNS	101	42200	2180		003	\$64.28	\$64.28
SHORT ELLIOTT HENDRICKSON, INC	TMO/SPRINT UPGRADE PROJECTS	601	22015				\$307.40	\$4,965.65
		601	45050	3190			\$4,658.25	
SHORT ELLIOTT HENDRICKSON, INC	TMO/SPRINT UPGRADE PROJECTS	601	22015				\$153.39	\$4,138.20

## COUNCIL REPORT

Vendor Name	Description	FF	GG	OO	AA	CC	Line	Amount	Invoice Amt
		601	45050	3190				\$3,984.81	
SORENSEN, MATTHEW	BASKETBALL REF DEC 20 & 27	225	43510	3190		002		\$115.00	\$115.00
ST. PAUL, CITY OF	ASPHALT FOR GATE VALVE REPAIRS	601	45050	2280		004		\$72.03	\$72.03
ST. PAUL, CITY OF	MISC PRINT ITEMS FOR PARK AND REC	225	43400	3390				\$122.81	\$1,221.97
		225	43400	3390				\$770.53	
		220	43800	2180		002		\$328.63	
STICKNEY, AMBER	PASS REFUND	220	22040					\$419.28	\$419.28
STUKEL, MICHELE	SCHOOLS OUT EXT DAY	220	22040					\$164.00	\$164.00
TARGET COMMERCIAL INVOICE	NYE CHIPS FOR STAFF 80 BAGS	225	43580	2172		002		\$26.56	\$26.56
TARGET COMMERCIAL INVOICE	NYE, SCHOOLS OUT, FITNESS SUPPLIES	225	43530	2170		001		\$68.35	
		225	43580	2172		002		\$52.05	
		225	43580	2170		002		\$25.18	\$145.58
TARGET COMMERCIAL INVOICE	WARMING HOUSE SUPPLIES - BINS	225	43590	2170		001		\$15.84	
TARGET COMMERCIAL INVOICE	NYE	225	43580	2172		002		\$55.63	\$55.63
TOTAL TOOL SUPPLY INC	CUTTING DIES	601	45050	2280		004		\$110.50	\$110.50
TRANSPORTATION SUPPLIES INC	TOOLS	101	42200	2400		001		\$56.46	\$56.46
TRANSPORTATION SUPPLIES INC	TOOLS	602	45550	2400		001		\$171.40	\$171.40
TRI STATE BOBCAT, INC.	PARTS FOR A220 BOB-CAT	701	46500	2220		002		\$84.82	\$84.82
TYSON, ANTONIO	BASKETBALL REF DEC 20 & 27	225	43510	3190		002		\$92.00	\$92.00
UNITED GLASS INC.	GLASS LIGHT COVERS FOR SHAMROCK LIGHTS	101	43710	2240				\$26.72	
UNIVERSITY OF MINNESOTA	ENERGY CONFERENCE REGISTRATION	101	42050	4500				\$50.00	\$50.00
VARITECH INDUSTRIES INC.	NEW CHLORIDE PUMP	101	42200	2181		002		\$948.21	\$948.21
VIKING ELECTRIC SUPPLY INC	LIGHTS FOR BOOSTER	601	45050	2280		005		\$169.51	\$169.51
VIKING INDUSTRIAL CENTER	SAFETY JACKETS	101	42200	3970		001		\$67.25	\$269.00
		601	45050	3970		001		\$67.25	
		602	45550	3970		001		\$67.25	
		603	45850	3970		001		\$33.62	
		701	46500	3970		001		\$33.63	
WATER CONSERVATION SERVICE, IN	LOCATE	601	45050	3190		004		\$238.87	\$238.87
WATSON COMPANY	WAVE CAFE FOOD FOR RESALE	220	43800	2590		001		\$356.15	\$356.15
WSB & ASSOCIATES, INC.	BUCHER PARK SERVICES NOVEMBER 2012	459	43710	5300				\$2,180.00	\$2,180.00
XCEL ENERGY	ELECTRIC: LIFT STATIONS	602	45550	3610				\$671.52	\$671.52
XCEL ENERGY	ELECTRIC/GAS: WELLS	601	45050	3610				\$7,193.38	\$7,632.00
		601	45050	2140				\$438.62	
XCEL ENERGY	ELECTRIC/GAS: PARKS	101	43710	3610				\$949.69	
		101	43710	2140				\$488.45	\$1,438.14
YALE MECHANICAL INC	REPAIR FURNACE AT LARSON HOUSE	101	43710	3190				\$291.25	\$291.25
YALE MECHANICAL INC	OCTOBER MAINT AND POOL AHU FILTER CHANGE	220	43800	3810		007		\$4,252.03	\$4,252.03
YALE MECHANICAL INC	FALL CONTRACT MAINTENANCE SERVICE	220	43800	3810		003		\$1,366.25	\$1,366.25
YALE MECHANICAL INC	REPAIR HEATER IN BOOSTER	601	45050	3190		003		\$402.37	\$402.37
YOCUM OIL COMPANY INC.	ON ROAD FUEL	701	46500	2120		002		\$1,937.22	\$1,937.22
Total of all invoices:									\$172,836.82

## COUNCIL REPORT

Vendor Name	Description	FF	GG	00	AA	CC	Line Amount	Invoice Amt
ALLEN, DEANNE	MINUTES - 12/10 CC, 12/17 CC	101	40200	3190		001	\$400.00	\$400.00
ALLEN, DEANNE	MINUTES - 12/10 EDA	240	44400	3190			\$200.00	\$200.00
AMERICAN MESSAGING	LOCK BOX 1/1/13-1/31/13	101	40210	3190		009	\$4.26	\$4.26
AMSAN BRISSMAN KENNEDY	CLEANING SUPPLIES CC	220	43800	2110			\$146.17	\$146.17
BEISSWENGERS HARDWARE	CLEANING SUPPLIES CC	220	43800	2110			\$23.25	\$23.25
BEISSWENGERS HARDWARE	CLEANING SUPPLIES CC	220	43800	2110			\$15.04	\$15.04
FLEET FARM/GE CAPITAL RETAIL B	PARTS FOR FUEL PUMP	701	46500	2220		002	\$32.08	\$32.08
GENESIS EMPLOYEE BENEFITS, INC	FLEX - MED/DEPENDENT CARE 01-04-13	101	20432				\$208.33	\$208.33
GRAINGER, INC.	REPAIR SUPPLIES CC	220	43800	2240		001	\$45.31	\$45.31
HAWKINS, INC.	POOL & WHIRLPOOL CHEMICALS	220	43800	2160		001	\$376.90	\$376.90
METROPOLITAN COUNCIL ENVIRONME	SEWER SERVICE-JANUARY 2013	602	45550	3670			\$144,679.50	
NORTHSTAR INSPECTION SERVICE	INSPECTION SERVICES NOV & DEC 2012	101	44300	3190			\$1,007.50	\$1,007.50
WALLY'S UPHOLSTERY	BLACK WARE WRAP COVERS	220	43800	2240		001	\$30.00	\$30.00
YALE MECHANICAL INC	POOL AHU AND FLITER CHANGE	220	43800	3810		007	\$443.41	\$443.41
YALE MECHANICAL INC	BOILER INSPECTION AND REPAIR	220	43800	3810		007	\$570.00	\$570.00
Total of all invoices:							\$148,181.75	

# Purchase Voucher

City of Shoreview  
4600 Victoria Street North  
Shoreview MN 55126

Voucher Number	31,877	Please return check to Glen
Vendor number	00311 1	2012
Vendor name	C W HOULE INC.	
Address	1300 COUNTY ROAD I WEST ST. PAUL MN 55126	

Date	Comment line on check	Invoice number	Amount
12-17-12	FLORAL,DEMAR,F CP12-01 PATMENT NO 5	0	\$80,294.68

THIS IS AN EARLY CHECK, PLACE VOUCHER IN EARLY CHECK FILE

*This Purchase Voucher is more than \$25,000.00; was the state's cooperative venture considered before purchasing through another source?*

☐ Purchase was made through the state's cooperative purchasing venture.

☐ Purchase was made through another source. The state's cooperative purchasing venture was considered.

☒ Cooperative purchasing venture consideration requirement does not apply.

Return to: Glen

Account Coding	Amount
570 47000 5900	\$80,294.68

Is sales tax included on invoice?	Not Taxable
If no, amount subject to sales use tax	\$
<p>Reviewed by: <u>Glen M. Hoffard</u> (signature required) Glen Hoffard</p> <p>Approved by: <u>Terry Schwerm</u> (signature required) Terry Schwerm</p>	

Two quotes must be attached to purchase voucher for all purchases between \$10,000 and \$50,000. If no quote is received, explain below:

Quote 1	
Quote 2	
Explanation if no quote received	

# Purchase Voucher

City of Shoreview  
4600 Victoria Street North  
Shoreview MN 55126

Voucher Number	31,843
Vendor number	00260 1 2012
Vendor name	GREENHAVEN PRINTING
Address	4575 CHATSWORTH STREET N SHOREVIEW, MN 55126

Date	Comment line on check	Invoice number	Amount
12-12-12	NOVEMBER-DECEMBER SHOREVIEW	122922	\$20,245.44

THIS IS AN EARLY CHECK, PLACE VOUCHER IN EARLY CHECK FILE

Return to:	
------------	--

Account Coding	Amount
101 40400 3220 001	\$2,896.42
101 40400 3390 001	\$17,349.02

Is sales tax included on invoice?	MN 6.875%
If no, amount subject to sales use tax	\$
Reviewed by: <u>Tessia Melvin</u> (signature required) Tessia Melvin	
Approved by: <u>Terry Schwerm</u> (signature required) Terry Schwerm	

Two quotes must be attached to purchase voucher  
for all purchases between \$10,000 and \$50,000.  
If no quote is received, explain below:

Quote 1	
Quote 2	
Explanation if no quote received	



# Purchase Voucher

City of Shoreview  
4600 Victoria Street North  
Shoreview MN 55126

Voucher Number	31,886
Vendor number	10206 1 2012
Vendor name	XCEL ENERGY
Address	PO BOX 9477 MINNEAPOLIS MN 55484-9477

Date	Comment line on check	Invoice number	Amount
12-11-12	ELECTRIC/GAS: COMMUNITY CENTER	5148429483	\$22,874.59

THIS IS AN EARLY CHECK, PLACE VOUCHER IN EARLY CHECK FILE

Return to:	
------------	--

Account Coding	Amount
220 43800 2140	\$8,634.10
220 43800 3610	\$14,240.49

Is sales tax included on invoice?	MN 6.875%
If no, amount subject to sales use tax	\$ <u>OK</u>

Reviewed by: Debbie Engblom 12-17-12  
(signature required) Debbie Engblom

Approved by: Terry Schwerm  
(signature required) Terry Schwerm

Two quotes must be attached to purchase voucher  
for all purchases between \$10,000 and \$50,000.  
If no quote is received, explain below:

Quote 1	
Quote 2	
Explanation if no quote received	

# Purchase Voucher

City of Shoreview  
4600 Victoria Street North  
Shoreview MN 55126

Voucher Number	31,840	Enter remaining amts total s/b 39,457.50
Vendor number	00373 3	2012
Vendor name	LEAGUE OF MN CITIES INS TRUST	
Address	C/O BERKLEY RISK ADMINISTRATORS LLC PO BOX 581517 MINNEAPOLIS MN 55458-1517	

Date	Comment line on check	Invoice number	Amount
12-10-12	WORKERS' COMP 1ST INSTALLMENT 2012/13	24037	<del>\$9,041.09</del>

39,457.50

THIS IS AN EARLY CHECK, PLACE VOUCHER IN EARLY CHECK FILE

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Return to:	
------------	--

Account Coding	Amount
101 40100 1510	\$26.89
101 40200 1510	\$603.25
101 40210 1510	\$313.34
101 40400 1510	\$129.78
101 40500 1510	\$739.44
101 40550 1510	\$283.73
101 40800 1510	\$126.57
101 41500 1510	\$5.18
101 42050 1510	\$794.21
101 42200 1510	\$6,018.70

Is sales tax included on invoice?	Not Taxable
If no, amount subject to sales use tax	\$
Reviewed by: <u>Fred Espe</u> (signature required) Fred Espe	
Approved by: <u>Terry Schwerm</u> (signature required) Terry Schwerm	

Two quotes must be attached to purchase voucher  
for all purchases between \$10,000 and \$50,000.  
If no quote is received, explain below:

Quote 1	
Quote 2	
Explanation if no quote received	

2518-1

# Purchase Voucher

City of Shoreview  
4600 Victoria Street North  
Shoreview MN 55126

Voucher Number	31,965	RETURN TO TERRI
Vendor number		2012
Vendor name	VENTURE PASS PARTNERS	
Address	19620 WATERFORD COURT SHOREWOOD MN 55345	

Date	Comment line on check	Invoice number	Amount
12-19-12	PHASE 2 RETAIL TIF ASSISTANCE	12-19-12	\$700,000.00

THIS IS AN EARLY CHECK, PLACE VOUCHER IN EARLY CHECK FILE

This Purchase Voucher is more than \$25,000.00; was the state's cooperative venture considered before purchasing through another source?

[ ] Purchase was made through the state's cooperative purchasing venture.

[ ] Purchase was made through another source. The state's cooperative purchasing venture was considered.

[X] Cooperative purchasing venture consideration requirement does not apply.

Return to:

Account Coding

Amount

416 44100 4890 \$500,000.00

307 44100 4890 \$200,000.00

Is sales tax included on invoice?

Not Taxable

If no, amount subject to sales use tax

\$

Reviewed by:

(signature required) Terri Hoffard

Approved by:

(signature required) Terry Schwerm

Two quotes must be attached to purchase voucher for all purchases between \$10,000 and \$50,000. If no quote is received, explain below:

Quote 1	
Quote 2	
Explanation if no quote received	

City of Shoreview  
4600 Victoria Street North  
Shoreview MN 55126

Date	Comment line on check	Invoice number	Amount
12-12-12	ST LIGHT UPGRADE RED FOX PROJ 12-04	888	\$22,672.72

Is sales tax included on invoice?	MN 6.875%
If no, amount subject to sales use tax	\$

Reviewed by: Thomas L. Hammitt 12/17/12  
 (signature required) Tom Hammitt

Approved by: TJ Scherm  
 (signature required) Terry Scherm

Two quotes must be attached to purchase voucher for all purchases between \$10,000 and \$50,000. If no quote is received, explain below:

Quote 1	
Quote 2	
Explanation if no quote received	

# Purchase Voucher

City of Shoreview  
4600 Victoria Street North  
Shoreview MN 55126

Voucher Number	32,038
Vendor number	02519 1 2012
Vendor name	TRAFFIC CONTROL CORPORATION
Address	10435 ARGONNE WOODS DRIVE WOODBIDGE IL 60517

Date	Comment line on check	Invoice number	Amount
12-21-12	TRAFFIC SIGNAL EQUIP PREPURCHASE CP12-04	0000057505	\$39,260.53

THIS IS AN EARLY CHECK, PLACE VOUCHER IN EARLY CHECK FILE

*This Purchase Voucher is more than \$25,000.00; was the state's cooperative venture considered before purchasing through another source?*

☐ Purchase was made through the state's cooperative purchasing venture.

☒ Purchase was made through another source. The state's cooperative purchasing venture was considered.

☐ Cooperative purchasing venture consideration requirement does not apply.

Return to:

Account Coding

Amount

572 47000 5900	\$39,260.53

Is sales tax included on invoice?

MN 6.875%

If no, amount subject to sales use tax

\$

Reviewed by: Tom Wesolowski 12/21/12  
(signature required)

Approved by: Terry Schwerm 12/21/12  
(signature required)

Two quotes must be attached to purchase voucher for all purchases between \$10,000 and \$50,000.  
If no quote is received, explain below:

Quote 1	
Quote 2	
Explanation if no quote received	

# Purchase Voucher

City of Shoreview  
4600 Victoria Street North  
Shoreview MN 55126

Voucher Number	31,932
Vendor number	02516 1 2012
Vendor name	DIAMOND SURFACES INC.
Address	21025 COMMERCE BOULEVARD, SUITE 600 RODGERS MN 55374

Date	Comment line on check	Invoice number	Amount
12-14-12	DIAMOND GRINDING DEMAR, HAWES, RUSTIC	001	\$32,274.00

This Purchase Voucher is more than \$25,000.00; was the state's cooperative venture considered before purchasing through another source?

[ ] Purchase was made through the state's cooperative purchasing venture.

[ ] Purchase was made through another source. The state's cooperative purchasing venture was considered.

[X] Cooperative purchasing venture consideration requirement does not apply.

Account Coding	Amount
565 47000 5900	\$32,274.00

Is sales tax included on invoice?	Not Taxable
If no, amount subject to sales use tax	\$
Reviewed by: <u>T. Wesolowski</u> 12/19/12 (signature required) Tom Wesolowski	
Approved by: <u>T. Schwerm</u> 12-15-12 (signature required) Terry Schwerm	

Two quotes must be attached to purchase voucher for all purchases between \$10,000 and \$50,000.  
If no quote is received, explain below:

Quote 1	
Quote 2	
Explanation if no quote received	

## **LICENSE APPLICATIONS**

Moved by Councilmember \_\_\_\_\_

Seconded by Councilmember \_\_\_\_\_

To approve the License Applications as listed on the attached report dated January 7, 2013.

### **ROLL CALL:**

### **AYES**

### **NAYS**

Johnson

\_\_\_\_\_

\_\_\_\_\_

Quigley

\_\_\_\_\_

\_\_\_\_\_

Wickstrom

\_\_\_\_\_

\_\_\_\_\_

Withhart

\_\_\_\_\_

\_\_\_\_\_

Martin

\_\_\_\_\_

\_\_\_\_\_

January 7, 2013  
Regular Council Meeting

**CITY OF SHOREVIEW - LICENSE APPLICATIONS**  
**January 7, 2013**

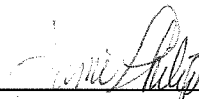
<b><u>BUSINESS NAME</u></b>	<b><u>TYPE</u></b>
<b>Freedom Valu Center #76</b>	<b>Tobacco Products License</b>
<b>Backyard Liquor</b>	<b>Tobacco Products License</b>
<b>Bacchus Wine and Spirits</b>	<b>Tobacco Products License</b>
<b>Walt's Liquor, Wine and Spirits</b>	<b>Tobacco Products License</b>



**CITY OF SHOREVIEW - LICENSE APPLICATIONS**  
**January 07, 2013**

<b><u>LICENSE #</u></b>	<b><u>BUSINESS NAME</u></b>	<b><u>TYPE</u></b>
13-0002	Langer's Tree Service	Tree Trimmer
13-0003	St Croix Tree Service	Tree Trimmer
13-0004	Northern Arborist	Tree Trimmer
13-0005	Gosiak Tree Service	Tree Trimmer
13-0006	Hugo's Tree Care Inc	Tree Trimmer
13-0007	Terra's Canopies	Tree Trimmer

The above licenses are recommended for approval:



\_\_\_\_\_  
**License/Permit Clerk**

## PROPOSED MOTION

**MOTION BY COUNCILMEMBER** \_\_\_\_\_

**SECONDED BY COUNCILMEMBER** \_\_\_\_\_

To extend the review period for the Variance request submitted by Mike Morse, 1648 Lois Drive for an additional 60 days to March 19, 2013 due to Mr. Morse's appeal of the Planning Commission's decision.

**ROLL CALL:    AYES** \_\_\_\_\_ **NAYS** \_\_\_\_\_

Johnson	_____	_____
Quigley	_____	_____
Wickstrom	_____	_____
Withhart	_____	_____
Martin	_____	_____

Regular City Council Meeting – January 7, 2013

t:\2012pcf\2470-12-331000 Oakridge-Jarnot

**TO:** Mayor, City Council, and City Manager

**FROM:** Kathleen Nordine, City Planner

**DATE:** January 4, 2013

**SUBJECT:** Extension - File No. 2468-12-31, Variance/Appeal, Michael Morse, 1648 Lois Drive

### **INTRODUCTION**

Mike Morse, 1648 Lois Drive, submitted a Variance application to retain and finish the partially-constructed detached accessory structure on his property. The Planning Commission considered this application at their meeting on December 13, 2012 and denied the request based on their finding that practical difficulty was on not present. This application was deemed complete as of November 19, 2012.

Mr. Morse subsequently submitted an appeal to the Planning Commission's action which was deemed complete as of December 21, 2012.

### **EXTENSION REQUEST**

In accordance with State Statute, a municipality must approve or deny a request related to zoning within 60 days, otherwise it is deemed approved. An agency may extend the time limit before the end of the initial 60-day period by providing written notice of the extension to the applicant. The notification must state the reasons for the extension and its anticipated length, which may not exceed 60 days unless approved by the applicant

This item is tentatively scheduled to be heard by the City Council at their January 22<sup>nd</sup> meeting which is beyond the initial 60-day review period for the variance; therefore, the review period needs to be extended. The extension will provide the additional time needed to process the appeal.

### **Recommendation**

Staff is recommending the City Council extend the review period an additional 60 days to March 19, 2013.

Attachments

1) Motion

t:\ccreports\2332-08-29southviewextension

## PROPOSED MOTION

**MOTION BY COUNCILMEMBER** \_\_\_\_\_

**SECONDED BY COUNCILMEMBER** \_\_\_\_\_

To extend the review period for the Conditional Use Permit request submitted by Dennis Jarnot, 1000 Oakridge Avenue for an additional 60 days to March 19, 2013.

**ROLL CALL:**    **AYES** \_\_\_\_\_    **NAYS** \_\_\_\_\_

Johnson	_____	_____
Quigley	_____	_____
Wickstrom	_____	_____
Withhart	_____	_____
Martin	_____	_____

Regular City Council Meeting – January 7, 2013

t:\2012pcf\2470-12-331000 Oakridge-Jarnot

**TO:** Mayor, City Council, and City Manager

**FROM:** Kathleen Nordine, City Planner

**DATE:** January 4, 2013

**SUBJECT:** Extension - File No. 2470-12-33, Conditional Use Permit – Dennis Jarnot, 1000 Oakridge Avenue

### **INTRODUCTION**

Dennis Jarnot, 1000 Oakridge Avenue, submitted a conditional use permit application to expand a second detached accessory structure on his property. A Conditional Use Permit is needed to exceed the maximum area permitted for both a detached accessory structure and the combined floor area permitted for all accessory structures on a single-family residential property that is greater than 1 acre in size. The application was complete on November 19, 2012.

### **EXTENSION REQUEST**

In accordance with State Statute, a municipality must approve or deny a request related to zoning within 60 days, otherwise it is deemed approved. An agency may extend the time limit before the end of the initial 60-day period by providing written notice of the extension to the applicant. The notification must state the reasons for the extension and its anticipated length, which may not exceed 60 days unless approved by the applicant

The Planning Commission held a public hearing on December 13<sup>th</sup> and recommended approval of the request to the City Council. This item is tentatively scheduled to be heard by the City Council at their January 22<sup>nd</sup> meeting which is beyond the initial 60-day review period; therefore, the review period needs to be extended.

### **Recommendation**

Staff is recommending the City Council extend the review period an additional 60 days to March 19, 2013.

#### Attachments

- 1) Motion

t:\ccreports\2332-08-29southviewextension

**PROPOSED MOTION**

MOVED BY COUNCILMEMBER \_\_\_\_\_

SECONDED BY COUNCILMEMBER \_\_\_\_\_

to approve Resolution No. 13-02, changing the public hearing dates for the Red Fox Road Improvements and the County Road D and Cottage Place Road Reconstruction, City Projects 12-04, 13-01A, and 13-01B from January 7, 2013 to January 22, 2013.

<b>ROLL CALL:</b>	<b>AYES</b>	<b>NAYS</b>
JOHNSON	_____	_____
QUIGLEY	_____	_____
WICKSTROM	_____	_____
WITHHART	_____	_____
MARTIN	_____	_____

REGULAR COUNCIL MEETING  
JANUARY 7, 2013

TO: MAYOR, CITY COUNCIL, CITY MANAGER

FROM: TOM WESOLOWSKI, CITY ENGINEER

DATE: JANUARY 2, 2013

SUBJECT: CHANGE PUBLIC HEARING DATES FOR THE RED FOX ROAD  
IMPROVEMENTS AND COUNTY ROAD D & COTTAGE PLACE ROAD  
RECONSTRUCTION, CITY PROJECTS 12-04, 13-01A, AND 13-01B

### **Introduction**

On December 17, 2012, the City Council received the Feasibility Reports and called for public hearings for the Red Fox Road Improvements and the County Road D and Cottage Place Road Reconstruction, City Projects 12-04, 13-01A and 13-01B on January 7, 2013 at the regularly scheduled City Council meeting. The public hearing dates for all the projects must be changed and Council action is required to change the dates.

### **Discussion**

Assessments are proposed for the projects listed above and the assessment process for the projects must be in accordance with MN Statutes Chapter 429. Holding a public hearing is part of the Chapter 429 process and the City is required to publish a notice of the public hearing in the City's official newspaper twice prior to the hearing. Per Statute, the two publications must be a week apart and the last publication date must be at least three days before the date of the hearing.

To meet the Chapter 429 requirements for public hearings on January 7, 2012, notices would have had to been published in the December 26, 2012 and January 2, 2013 editions of the City's official newspaper. The City's official newspaper as of the date of the Council's previous action is the Shoreview Bulletin, and they have notified the City that they will not be publishing an edition on January 2, so the requirements for publication will not be met. Staff determined that the public hearing dates needed to be changed prior to mailing out a notice of the hearing, so no properties with a proposed assessment were notified of the incorrect date.

Moving the public hearing dates to January 22, 2013 will allow the notice for the public hearings to be published in the January 9<sup>th</sup> and 16<sup>th</sup> editions, which will meet the Chapter 429 requirements. A letter with the information on the public hearings will also be sent the properties with proposed assessments.

### **Recommendation**

It is recommended that the City Council change the public hearing dates for the Red Fox Road Improvements, and the County Road D and Cottage Place Road Reconstruction, City Projects 12-04, 13-01A and 13-01B, from January 7, 2013 to January 22, 2013.

TEW  
#12-04, 13-01A & 13-01B

**EXTRACT OF MINUTES OF MEETING OF THE  
CITY COUNCIL OF SHOREVIEW, MINNESOTA**

**HELD JANUARY 7, 2013**

\* \* \* \* \*

Pursuant to due call and notice thereof, a meeting of the City Council of the City of Shoreview, was duly called at the Shoreview City Hall in said City on January 7, 2012 at 7:00 p.m. The following members were present:

;

and the following members were absent:

Council member introduced the following resolution and moved its adoption.

**RESOLUTION NO. 13-02**

**CHANGE THE PUBLIC HEARING DATES  
FOR THE  
RED FOX ROAD IMPROVMENTS,  
COUNTY ROAD D AND COTTAGE PLACE ROAD RECONSTRUCTION  
CITY PROJECTS 12-04, 13-01A AND 13-01B  
FROM JANUARY 7, 2013 TO JANUARY 22, 2013**

WHEREAS, on December 17, 2012 the City Council received the feasibility reports and called for public hearings on January 7, 2013 for the Red Fox Road Improvements and the County Road D and Cottage Place Road Reconstruction, City Projects 12-04, 13-01A and 13-01B; and

WHEREAS, the publication requirements listed in MN Statutes Chapter 429 for public improvement projects with proposed assessments cannot be met;

WHEREAS, changing the public hearing dates from January 7, 2013 to January 22, 2013 will allow adequate time to meet the publication requirements listed in MN Statutes Chapter 429 for public improvement projects.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF SHOREVIEW, MINNESOTA:

1. The public hearing dates for the Red Fox Road Improvements and the County Road D and Cottage Place Reconstruction, City Projects 12-04, 13-01A and 13-01B shall be changed from January 7, 2013 to January 22, 2013.



The motion for the adoption of the foregoing resolution was duly seconded by Member and upon vote being taken thereon, the following voted in favor thereof: and the following voted against the same:

WHEREUPON, said resolution was declared duly passed and adopted this 7<sup>th</sup> day of January, 2013.

STATE OF MINNESOTA    )  
  )  
COUNTY OF RAMSEY    )  
  )  
CITY OF SHOREVIEW     )

I, the undersigned, being the duly qualified and acting Manager of the City of Shoreview of Ramsey County, Minnesota, do hereby certify that I have carefully compared the attached and foregoing extract of minutes of a meeting of said City Council held on the 7<sup>th</sup> day of January 2013, with the original thereof on file in my office and the same is a full, true and complete transcript therefrom insofar as the same relates to changing the public hearing dates for City Projects 12-04, 13-01A and 13-01B.

WITNESS MY HAND officially as such Manager and the corporate seal of the City of Shoreview, Minnesota, this 8<sup>th</sup> day of January 2013.

SEAL

\_\_\_\_\_  
Terry Schwerm  
City Manager

## PROPOSED MOTION

MOVED BY COUNCILMEMBER \_\_\_\_\_

SECONDED BY COUNCILMEMBER \_\_\_\_\_

to authorize the replacement of Units 106, 403, the 580D and the asphalt paver from approved Cooperative Purchasing Ventures and received competitive quotes for a total estimated cost of \$201,628, pursuant to the adopted Capital Improvements Program and approved 2013 Annual Budget.

ROLL CALL:	AYES	NAYS
JOHNSON	_____	_____
QUIGLEY	_____	_____
WICKSTROM	_____	_____
WITHHART	_____	_____
MARTIN	_____	_____

REGULAR COUNCIL MEETING  
JANUARY 7, 2013

TO: MAYOR, CITY COUNCIL, CITY MANAGER

FROM: MARK J. MALONEY, PUBLIC WORKS DIRECTOR

DATE: JANUARY 7, 2013

SUBJ: AUTHORIZATION TO PURCHASE THE REPLACEMENTS OF UNITS 106,  
403 THE 580D MOWER TRACTOR AND THE ASPHALT PAVER.

### INTRODUCTION

Shoreview's adopted Capital Improvements Program for 2013 includes the scheduled replacement of units 106, 403 the 580D mower tractor and the asphalt paver. City Council approval is necessary at this time for authorization to purchase these replacements with vehicles and equipment of similar size and capabilities from the Minnesota State Contract #54363, #51280 and the National Joint Purchasing Agreement #031711-DAC and the lowest of the two competitive quotes received for the replacement asphalt paver.

### DISCUSSION

Unit 106, is a 2001 ½ ton pickup that is used by the City's Environmental Officer for tree inspections, planting projects and other activities related to the City's recycling and forestry services. It is proposed to replace this vehicle with one of similar size and capabilities. The replaced unit will be sold at a public auction sometime in 2013.

Unit 403 is a 2001 light duty compact pickup used by the City's Community Development Department in conjunction with building inspection and code enforcement activities. It is proposed to replace this vehicle with one of similar size and capabilities. The replaced unit will be sold at a public auction sometime in 2013.

The City's Central Garage fleet included a 580D mower/tractor. This equipment is used extensively for turf maintenance on ball fields, parks and other city-owned property. This unit is scheduled for replacement with a mower/tractor of similar size and capabilities. The replacement can be purchased through the National Joint Purchasing Agreement for agricultural tractors and/or implements #031711-DAC. The retired unit was in non-working condition and it needed a new motor and extensive repairs. It was sold through a public auction in December 2012.

The City's Central Garage fleet includes a twelve foot pull behind tailgate paver for asphalt repairs. This equipment is used extensively for trail resurfacing and street repairs. The paver was purchased in 2000 and was used at the time of purchase. This unit is scheduled for replacement with a paver of similar size and self propelled capabilities, and will be purchased through two competitive quotes we received. The retiring unit will be sold in a public auction sometime in 2013.

## RECOMMENDATION

Staff recommends consideration of the attached motion authorizing the replacement of these vehicles and equipment. The approved 2013 Capital Improvement Program includes \$209,000 for the replacement of these vehicles and equipment. Through the cooperative purchasing ventures, and the competitive quote the City can acquire these purchases for approximately \$201,628 which includes taxes for all four units.

# Proposed Motion

**MOVED BY COUNCILMEMBER** \_\_\_\_\_

**SECONDED BY COUNCILMEMBER** \_\_\_\_\_

To close the public hearing in consideration of the establishment of Tax Increment District No. 8 relating to the Lakeview Terrace Apartments Project (Midland Plaza Redevelopment).

VOTE:      AYES: \_\_\_\_\_                      NAYS: \_\_\_\_\_

Johnson	_____	_____
Quigley	_____	_____
Wickstrom	_____	_____
Withhart	_____	_____
Martin	_____	_____

# Proposed Motion

**MOVED BY COUNCILMEMBER** \_\_\_\_\_

**SECONDED BY COUNCILMEMBER** \_\_\_\_\_

To adopt Resolution No. 13-05, approving the modification to Municipal Development District No. 2 and Tax Increment Financing Plan for the creation of a new Tax Increment District No. 8 (a Redevelopment District) and;

To adopt Resolution No. 13-06, approving and authorizing the execution of a Tax Increment Financing Development Agreement for the Lakeview Terrace Apartments Project (Midland Plaza Redevelopment), subject to minor changes as approved by the City Manager and City’s legal counsel.

VOTE:	AYES: _____	NAYS: _____
Johnson	_____	_____
Quigley	_____	_____
Wickstrom	_____	_____
Withhart	_____	_____
Martin	_____	_____

# Memorandum

**To:** Mayor and City Council Members

**From:** Tom Simonson  
Assistant City Manager and Community Development Director

**Date:** January 4, 2013

**Re:** Lakeview Terrace Apartments Project (Midland Plaza Redevelopment)  
- Establishment of Tax Increment District No. 8 (Redevelopment District)  
- Approval of Tax Increment Development Agreement

---

## **Introduction**

The City Council is being asked to consider approvals of a proposed tax increment financing (TIF) plan for the creation of a new TIF district and TIF development agreement in support of the redevelopment of the vacant Midland Plaza retail center for the Lakeview Terrace Apartments project. A public hearing was scheduled for December 17, 2012 in consideration of the proposed financial assistance, but was continued by the City Council to allow additional time for the City and developer to clarify a few remaining terms in the agreement. Those items have been resolved and the project financing is now being presented for final Council approval at a public hearing on January 7, 2013.

## **Background**

The project proposes the redevelopment of the Midland Plaza strip center for the construction of a new upscale six-story apartment building of 104 units in the Midland Terrace Apartments complex area.

The redevelopment project requires the proposed creation of a new tax increment financing district to serve as the primary funding source for the public improvements and other eligible development costs to benefit the project. The developer has submitted a formal application request for tax increment financing assistance and has moved along on a concurrent review track with the site and building plans. The majority of the costs for the public infrastructure improvements will be reimbursed through the tax increment generated from the new apartment building and special assessments to the property owner, with additional financial support provided back to the developer of the increment for eligible



expenses. The City also received a grant from the Metropolitan Council through the Livable Communities program, which will also assist with the project financing.

The financing plan has been reviewed several times over the past year by both the Economic Development Authority (EDA) and City Council. Both the Council and EDA have been supportive of the redevelopment project, citing the public benefits of removing an old vacant/blighted strip center, creating new higher end market rental housing, and providing traffic safety improvements for the area. In a joint meeting in July of this year, the Council and EDA were receptive to a revised financing plan and request from the developer to direct some of the public resources to assist with the private development (specifically the underground parking structure). However, City officials also expressed public policy concerns about the use of significant existing tax increment funds from TIF District No. 1 redirected in the form of a loan to assist the project, thus restricting the City's ability to use those funds for other redevelopment and business expansion objectives.



In a follow-up meeting of the EDA and Council on August 13<sup>th</sup>, a revised financing plan was presented that maintained the same level of funding previously discussed and supported but modified to lessen the contribution from existing TIF District No. 1. This revised proposal allows the City to retain funding to assist with other economic development projects.

After reaching preliminary support from the Council and EDA, and agreement with the developer, a public hearing was scheduled in August but had to be canceled due to issues between the property owner and Freddie Mac on the release of a small but critical portion of the Midland Terrace Apartments property that was included in an existing mortgage for the complex. After two months of negotiations by Tycon Companies, with assistance from the City, the developer reached an agreement with Freddie Mac on resolving the valuation issue on the release of land necessary to move ahead with the Lakeview Terrace apartment project.

The Economic Development Authority reviewed the revised and updated TIF financing plan and development agreement at their November meeting, and unanimously supported forwarding the documents to the City Council as a whole for formal approval. Since that time, City staff and the developer have been negotiating final terms on several outstanding items relating to future administrative fees through the TIF district as well as the provision for a guarantee or minimum assessment value to ensure the future tax increment is sufficient to cover obligations. These items have now been resolved, with the City staff and developer both comfortable with the agreed upon terms now being presented to the Council for action.



The following is a summary of past actions leading up to these final approvals on the project financing for the Lakeview Terrace Project:

October 19, 2009	Approval and execution of a preliminary design and report agreement for Owasso Street realignment between City and Terrace Apartments Company, LLP (d/b/a Midland Plaza)
November 7, 2011	Approval of Resolution 11-83 authorizing interfund loan from TIF District No. 1 for public improvements to be repaid from development project
November 21, 2011	Approval of cost-sharing agreement between City and developer relating to final engineering design services for the Owasso Street realignment
July 24, 2012	Planning Commission adoption of Resolution 12-61 finding the proposed Tax Increment Financing Plan for new TIF District No. 8 conforms to the Comprehensive Plan
November 13, 2012	Economic Development Authority unanimously recommends approval to the City Council of the TIF Plan establishing TIF District No. 8 and TIF Development Agreement
December 3, 2012	Approval of Resolution 12-104 making the official blight determination findings and authorize execution of a demolition agreement for tear down of Midland Plaza center

### **Financing Plan**

**TIF District Establishment.** Included with this report is a Tax Increment Financing Plan for the creation of a new Tax Increment District No. 8, a redevelopment district with a maximum duration of 25-years. The TIF Plan is a necessary requirement that defines the type and use of the tax increment district to be created for providing public financial assistance. A public hearing is required for consideration of establishing a tax increment district. As shown on right, the boundaries of the proposed district includes the retail center property and new building pad site, but also the public rights-of-way along Victoria Street and County Road E that encompass the related road improvements.



**TIF Development Agreement.** The City's tax increment development attorney Robert Deike has prepared a TIF Development Agreement, with the involvement the City's development consultant Kirstin Barsness. A copy of the document is included with this report.

The major financing structure and terms have not changed from the previous review by the EDA and City Council. City staff and developer have negotiated other outstanding items and have reached agreement on provisions relating to a guaranteed value, assignment of the agreements, assessment participation, and the ability for the developer to terminate the agreement if final costs associated with the public improvements increase significantly from the current estimates once competitive public bids are received.

Key financing terms included in the proposed TIF Development Agreement for the Lakeview Terrace project include:

**Tax Increment –**

City of Shoreview:

- \$1,087,450 Inter-fund loan from TIF No. 1 payable over life of district at 2.75% interest
- At current interest rate, city loan has a balance at the end of the district of approximately \$135,000 –payment due
- City receives 33% of the increment annually
- Development will sign a minimum assessment agreement for \$11,960,000. The minimum assessment guarantees a TIF revenue stream which covers the annual loan repayment according to the amortization schedule.
- 10% administration – maintain balance should OSA find that engineering expenditures made prior to district approval can't be considered project eligible-but must be paid from TIF administration. Should the City not utilize all the 10% for administration costs, the funds can be contributed to any shortfall on the loan from TIF District No. 1. At the end of the TIF District, after all City costs have been accounted for and should any of the budgeted funds for administration remain unobligated, the City will provide the Developer with up to, but not exceeding, 5% of the administration fee receipted.

Developer:

- \$2,000,000 pay-as-you-go note issued at 5.5%
- Receives 67% of the increment
- If the repayment of the principal and interest from the inter-fund loan is fulfilled, any additional increment generated will be used to satisfy the "pay-as-you-go" note.

The Source and Use table gives a more visual depiction of the proposed TIF structure:

Uses	Sources					
	LCDA Grant	Ramsey County	Improvement Bonds	City Inter-Fund Loan	PAY-Go TIF Note	Total
Parking Structure	\$0	\$0	\$0	\$0	\$2,000,000	\$2,000,000
Demolition and Site Preparation	\$202,450	\$0	\$0	\$0	\$0	\$202,450
Road & Rail Improvements	\$452,550	\$360,000	\$1,000,000	\$1,087,450	\$0	\$2,900,000
TOTAL	\$655,000	\$360,000	\$1,000,000	\$1,087,450	\$2,000,000	\$5,102,450

### **Public Improvement Assessment –**

Terms of the proposed assessment include:

- Developer accepts \$1,000,000 assessment for a portion of the public improvements payable over 20 years at a rate .5% over costs.
- Developer can review and opt to terminate project if public improvements costs at time of bid award exceed 10% - have 5 days to after city notification to exercise option to terminate (includes healthy contingency at time of bid)
- 100% of cost overruns are to be included in assessment prior to work commencing
- City responsible for costs associated with unforeseen conditions during construction
- Developer has the option to prepay assessments in whole, not partials. Must cover any penalties incurred by the City related to the prepayment.

### **Other Development Agreement Terms –**

- The Developer will post a \$1,627,000 Letter of Credit. The amount covers the loan from TIF District No. 1 and the LCDA grant should the improvements be built, but the apartment building not constructed.
- The developer must pay for the costs associated with Owasso Street should the road be completed, but the apartment building project is not constructed.
- Can assign the project to another party without City approval if the current ownership maintains obligations.

### **Deviations from City Policy –**

- Providing upfront assistance from TIF District No. 1 (but protected through terms).
- Split of the increment with City loan not being repaid in full.
- Assessment period and interest rate (longer and lower)
- Concession for a potential lower administration fee (5%) at the end of the TIF District.

**Recommendation**

At their November 13<sup>th</sup> meeting, the Economic Development Authority unanimously voted to recommend to the City Council as a whole approval of the proposed tax increment financing assistance for this project. The City and developer/owner are now in full agreement with the major terms and financing structure, therefore, staff also recommends approval of the project. The City Council is asked to consider adoption of Resolution No. 13-05, approving the modification to Municipal Development District No. 2 and proposed Tax Increment Financing Plan for the creation of a new Tax Increment District No. 8, and Resolution No. 13-06, approving and authorizing the execution of a Tax Increment Financing Development Agreement for the Lakeview Terrace Apartments project (Midland Plaza redevelopment). Copies of the resolutions are attached with this report.

**CITY OF SHOREVIEW  
RAMSEY COUNTY  
STATE OF MINNESOTA**

Council member \_\_\_\_\_ introduced the following resolution and moved its adoption:

**RESOLUTION NO. 13-05**

**RESOLUTION ADOPTING A MODIFICATION TO THE  
DEVELOPMENT PROGRAM FOR MUNICIPAL DEVELOPMENT  
DISTRICT NO. 2; AND ESTABLISHING TAX INCREMENT  
FINANCING DISTRICT No. 8 THEREIN AND ADOPTING A TAX  
INCREMENT FINANCING PLAN THEREFOR.**

BE IT RESOLVED by the City Council of the City of Shoreview, Minnesota, as follows:

Section 1.     Recitals.

1.01. The City Council (the "Council") of the City of Shoreview (the "City") has heretofore established Municipal Development District No. 2 and adopted the Development Program therefor. It has been proposed that the City adopt a Modification to the Development Program (the "Development Program Modification") for Municipal Development District No. 2 (the "Project Area") and establish Tax Increment Financing District No. 8 (the "District") therein and adopt a Tax Increment Financing Plan (the "TIF Plan") therefor (the Development Program Modification and the TIF Plan are referred to collectively herein as the "Program Modification and TIF Plan"); all pursuant to and in conformity with applicable law, including Minnesota Statutes, Sections 469.124 to 469.134 and Sections 469.174 to 469.1799, all inclusive, as amended, (the "Act") all as reflected in the Program Modification and TIF Plan, and presented for the Council's consideration.

1.02. The City has investigated the facts relating to the Program Modification and TIF Plan and has caused the Program Modification and TIF Plan to be prepared.

1.03. The City has performed all actions required by law to be performed prior to the establishment of the District and the adoption and approval of the proposed Program Modification and TIF Plan, including, but not limited to, notification of Ramsey County and Independent School District No. 621 having taxing jurisdiction over the property to be included in the District, a review of and written comment on the Program Modification and TIF Plan by the City Planning Commission, and the holding of a public hearing upon published notice as required by law.

1.04. Certain written reports (the "Reports") relating to the Program Modification and TIF Plan and to the activities contemplated therein have heretofore been prepared by staff and

consultants and submitted to the Council and/or made a part of the City files and proceedings on the Program Modification and TIF Plan. The Reports include data, information and/or substantiation constituting or relating to the basis for the other findings and determinations made in this resolution. The Council hereby confirms, ratifies and adopts the Reports, which are hereby incorporated into and made as fully a part of this resolution to the same extent as if set forth in full herein.

Section 2. Findings for the Adoption and Approval of the Program Modification and TIF Plan.

2.01. The Council hereby finds that the Program Modification and TIF Plan are intended and, in the judgment of this Council, the effect of such actions will be, to provide an impetus for development in the public purpose and accomplish certain objectives as specified in the Program Modification and TIF Plan, which are hereby incorporated herein.

Section 3. Findings for the Establishment of Tax Increment Financing District No. 8.

3.01. The Council hereby finds that the District is in the public interest and is a "redevelopment district" under Minnesota Statutes, Section 469.174, Subd. 10 of the Act.

3.02. The Council further finds that the proposed development would not occur solely through private investment within the reasonably foreseeable future and that the increased market value of the site that could reasonably be expected to occur without the use of tax increment financing would be less than the increase in the market value estimated to result from the proposed development after subtracting the present value of the projected tax increments for the maximum duration of the District permitted by the Tax Increment Financing Plan, that the Program Modification and TIF Plan conform to the general plan for the development or redevelopment of the City as a whole; and that the Program Modification and TIF Plan will afford maximum opportunity consistent with the sound needs of the City as a whole, for the redevelopment or development of the District by private enterprise.

3.03. The Council further finds, declares and determines that the City made the above findings stated in this Section and has set forth the reasons and supporting facts for each determination in writing, attached hereto as Exhibit A.

Section 4. Public Purpose.

4.01. The adoption of the Program Modification and TIF Plan conforms in all respects to the requirements of the Act and will help redevelop a blighted site, improve traffic safety, and provide for additional housing opportunities within the community. For the reasons described in Exhibit A, the City believes these benefits directly derive from the tax increment assistance provided under the TIF Plan. A private developer will receive only the assistance needed to make this development financially feasible. As such, any private benefits received by a developer are incidental and do not outweigh the primary public benefits.

Section 5. Approval and Adoption of the Program Modification and TIF Plan.

5.01. The Program Modification and TIF Plan, as presented to the Council on this date, including without limitation the findings and statements of objectives contained therein, are hereby approved, ratified, established, and adopted and shall be placed on file in the office of the City Manager.

5.02. The staff of the City, the City's advisors and legal counsel are authorized and directed to proceed with the implementation of the Program Modification and TIF Plan and to negotiate, draft, prepare and present to this Council for its consideration all further plans, resolutions, documents and contracts necessary for this purpose.

5.03 The Auditor of Ramsey County is requested to certify the original net tax capacity of the District, as described in the Program Modification and TIF Plan, and to certify in each year thereafter the amount by which the original net tax capacity has increased or decreased; and the City is authorized and directed to forthwith transmit this request to the County Auditor in such form and content as the Auditor may specify, together with a list of all properties within the District, for which building permits have been issued during the 18 months immediately preceding the adoption of this resolution.

5.04. The City Manager is further authorized and directed to file a copy of the Program Modification and TIF Plan with the Commissioner of Revenue and the Office of the State Auditor pursuant to Minnesota Statutes 469.175, Subd. 4a.

The motion for the adoption of the foregoing resolution was duly seconded by Council member \_\_\_\_\_, and upon a vote being taken thereon, the following voted in favor thereof:

and the following voted against the same:

Dated: January 7, 2013

ATTEST:

\_\_\_\_\_  
Sandy Martin, Mayor

\_\_\_\_\_  
Terry Schwerm, City Manager

(Seal)

## EXHIBIT A

### RESOLUTION NO. 13-05

The reasons and facts supporting the findings for the adoption of the Tax Increment Financing Plan for Tax Increment Financing District No. 8 as required pursuant to *M.S., Section 469.175, Subd. 3* are as follows:

1. *Finding that the Tax Increment Financing District No. 8 is redevelopment district as defined in M.S., Section 469.174, Subd. 10.*

Tax Increment Financing District No. 8 is a contiguous geographic area comprised of portions of four parcels within the City's Municipal Development District No. 2, delineated in the TIF Plan, for the purpose of financing redevelopment in the City through the use of tax increment.

The parcels, consisting of 70 percent of the area of the district are occupied by buildings, streets, utilities, paved or gravel parking lots, or other similar structures and more than 50 percent of the buildings, not including outbuildings, are structurally substandard to a degree requiring substantial renovation or clearance;

The District is in the public interest because it will facilitate the demolition of an existing retail strip center; realign Owasso Street, Victoria Street and County Road E; upgrade the railroad crossing and signalization; and construct a 104 unit- six story market rate luxury apartment building in the City of Shoreview. Additionally, it will increase construction employment in the state, and preserve and enhance the tax base of the state.

2. *Finding that the proposed development, in the opinion of the City Council, would not reasonably be expected to occur solely through private investment within the reasonably foreseeable future and that the increased market value of the site that could reasonably be expected to occur without the use of tax increment financing would be less than the increase in the market value estimated to result from the proposed development after subtracting the present value of the projected tax increments for the maximum duration of Tax Increment Financing District No. 8 permitted by the TIF Plan.*

*The proposed development, in the opinion of the City, would not reasonably be expected to occur solely through private investment within the reasonably foreseeable future:* It is the City's finding that the road project would not occur if the apartment building was not being constructed. Conversely, the apartment building cannot be built without the road improvement taking place. It is necessary to reconstruct Owasso Street prior to the apartment building construction in order to provide a building pad. The \$2.9 million road reconstruction is prohibitive for one developer to assume. The City, without tax increment assistance, would not have the resources to make the required public improvements as prescribed by Ramsey County and CP Rail.



*The increased market value of the site that could reasonably be expected to occur without the use of tax increment financing would be less than the increase in market value estimated to result from the proposed development after subtracting the present value of the projected tax increments for the maximum duration of the TIF District permitted by the TIF Plan:* The City supported this finding on the grounds that the approximate cost of \$2.9 million in public improvements (road reconstruction and realignment of Owasso Street, Victoria Street and County Road E) and the improvements required to by CP Rail for their crossing add to the total development, making the proposed development not economically feasible if paid completely by the developer. The City reasonably determines that no other development of similar scope is anticipated on this site without substantially similar assistance being provided to the development.

Therefore, the City concludes as follows:

- a. The City's estimate of the amount by which the market value of the entire District will increase without the use of tax increment financing is \$0.
  - b. If the proposed development occurs, the total increase in market value will be \$10,653,200 (see Appendix D and E of the TIF Plan)
  - c. The present value of tax increments from the District for the maximum duration of the district permitted by the TIF Plan is estimated to be \$2,880,000 (see Appendix D and E of the TIF Plan).
  - d. Even if some development other than the proposed development were to occur, the Council finds that no alternative would occur that would produce a market value increase greater than \$7,773,200 (the amount in clause b less the amount in clause c) without tax increment assistance.
3. *Finding that the TIF Plan for Tax Increment Financing District No. 8 conforms to the general plan for the development or redevelopment of the municipality as a whole.*  
The Planning Commission reviewed the TIF Plan and found that the TIF Plan conforms to the general development plan of the City.
4. *Finding that the Tax Increment Financing Plan for Tax Increment Financing District No. 8 will afford maximum opportunity, consistent with the sound needs of the City as a whole, for the development of Municipal Development District No. 2 by private enterprise.*  
The project to be assisted by the District will result in redevelopment of blighted site in the City and the State of Minnesota, increased tax base of the State, and add a high quality development to the City.

**CITY OF SHOREVIEW  
RAMSEY COUNTY  
STATE OF MINNESOTA**

Council member \_\_\_\_\_ introduced the following resolution and moved its adoption:

**RESOLUTION NO. 13-06**

**RESOLUTION AUTHORIZING THE EXECUTION OF A DEVELOPMENT  
AGREEMENT WITH LAKEVIEW TERRACE, LLC, AND THE EXECUTION OF A  
TAX INCREMENT REVENUE NOTE IN CONNECTION THEREWITH**

**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SHOREVIEW  
(the "City") AS FOLLOWS:**

**WHEREAS**, the City of Shoreview, Minnesota (the "City") has approved the establishment of Tax Increment Financing District No. 8 (the "District"), a redevelopment district, pursuant to the Minnesota Tax Increment Financing Law, Minnesota Statutes, sections 469.174-469.1799 (the "Tax Increment Act"); and

**WHEREAS**, the City has received a proposal from Lakeview Terrace, LLC (the "Developer") pursuant to which the Developer would redevelop certain real property in the City through the construction of a rental housing development (the "Improvements"); and

**WHEREAS**, the Developer has also proposed that the City provide financial assistance to the Developer using tax increment revenues from the District; and

**WHEREAS**, the City has determined that construction of the Improvements is in the best interests of the City and the state of Minnesota, will result in the redevelopment of property that currently is underutilized and contains structurally substandard buildings and improvements, and will result in the construction of necessary rental housing in the City; and

**WHEREAS**, there has been presented to the City Council of the City a proposed Development Agreement (the "Contract") between the City and the Developer setting forth the terms of the City's provision of financial assistance to the Developer in connection with the construction of the Improvements.

**NOW, THEREFORE**, be it hereby resolved by the City Council of the City as follows:

1.02. Execution of Contract and Issuance of the Note. The appropriate officers of the City are hereby authorized to execute the Contract in substantially the form presented to the City Council, subject to such changes as may be approved by the City Manager and the City's legal

counsel, to execute the Note at the time stated in the Contract and to issue and deliver the Note described therein at the time provided in the Contract.

Section 2. Form of Note. The Note shall be substantially in the form contained in the Contract, with the blanks properly filled in.

Section 3. Terms, Execution and Delivery.

3.01. Dates; Interest Payment Dates. The Note shall be dated as of the date it is issued. Principal of and interest on the Note shall be payable to the owner of record thereof as of the close of business on the fifteenth day of the month preceding each Scheduled Payment Date, whether or not such day is a business day.

3.02. Registration. The City appoints the City Treasurer and Finance Director as Note Registrar. The effect of registration and the rights and duties of the City and the Registrar with respect thereto shall be as follows:

(a) Register. The Registrar shall keep at his/her principal office a Note register in which the Registrar shall provide for the registration of ownership of the Note and the registration of transfers or exchanges of the Note.

(b) Transfer of Note. Upon surrender for transfer of the Note duly endorsed by the registered owner thereof or accompanied by a written instrument of transfer, in form satisfactory to the Registrar, duly executed by the registered owner thereof or by an attorney duly authorized by the registered owner in writing, the Registrar shall authenticate and deliver, in the name of the designated transferee or transferees, a new Note of a like aggregate principal amount and maturity, as requested by the transferor. The Registrar may close the books for registration of any transfer after the fifteenth day of the month preceding each interest payment date and until such interest payment date. The Note shall not be transferred to any person other than an affiliate or other related entity of the Developer, unless the City has been provided with an opinion of counsel, acceptable to the City, that such transfer is exempt from registration and prospectus delivery requirements of federal and applicable state securities laws.

(c) Cancellation. The Note surrendered upon any transfer shall be promptly canceled by the Registrar and thereafter disposed of as directed by the City.

(d) Improper or Unauthorized Transfer. When the Note is presented to the Registrar for transfer, the Registrar may refuse to transfer the same until it is satisfied that the endorsement on the Note or separate instrument of transfer is valid and genuine and the requested transfer is legally authorized. The Registrar shall incur no liability for its refusal, in good faith, to make transfers which it, in its judgment, deems improper or unauthorized.

(e) Persons Deemed Owners. The City and the Registrar may treat the person in whose name the Note is at any time registered in the Note register as the absolute owner of the Note, whether the Note shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal of or interest on the Note and for all other purposes, and all such payments so

made to any such registered owner or upon the owner's order shall be valid and effectual to satisfy and discharge the liability of the City upon the Note to the extent of the sum or sums so paid.

(f) Taxes, Fees and Charges. For every transfer or exchange of the Note, the Registrar may impose a charge upon the owner thereof sufficient to reimburse the Registrar for any tax, fee, or other governmental charge required to be paid with respect to such transfer or exchange and reasonable legal fees and other costs incurred in connection therewith.

(g) Mutilated, Lost, Stolen or Destroyed Note. In case the Note shall become mutilated or be lost, stolen, or destroyed, the Registrar shall deliver a new Note of like amount, maturity dates and tenor in exchange and substitution for and upon cancellation of such mutilated Note or in lieu of and in substitution for such Note lost, stolen, or destroyed, upon the payment of the reasonable expenses and charges of the Registrar in connection therewith; and, in the case of a Note lost, stolen, or destroyed, upon filing with the Registrar of evidence satisfactory to it that such Note was lost, stolen or destroyed, and of the ownership thereof, and upon furnishing to the Registrar of an appropriate indemnity in form, substance, and amount satisfactory to it, in which both the City and the Registrar shall be named as obligees. Any Note so surrendered to the Registrar shall be canceled by it and evidence of such cancellation shall be given to the City. If the mutilated, lost, stolen, or destroyed Note has already matured or been called for redemption in accordance with its terms, it shall not be necessary to issue a new Note prior to payment.

3.03. Preparation and Delivery. The Note shall be prepared under the direction of the City Manager of the City and shall be executed on behalf of the City by the manual signatures of its Mayor and the City Manager. In case any officer whose signature, or a facsimile of whose signature, shall appear on the Note shall cease to be such officer before the delivery of the Note, such signature or facsimile shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until delivery. Notwithstanding such execution, the Note shall not be valid or obligatory for any purpose or entitled to any security or benefit under this Resolution unless and until a certificate of authentication on such Note has been duly executed by the manual signature of an authorized representative of the Registrar. The executed certificate of authentication on the Note shall be conclusive evidence it has been authenticated and delivered under this resolution. When the Note have been so executed and authenticated, it shall be delivered by the City Manager to the Developer.

Section 4. Pledge of Available Tax Increment. The City hereby pledges to the payment of the principal of and interest on the Note Available Tax Increment, as defined in the Contract.

#### Section 5. County Auditor Registration; Certification of Proceedings.

5.01 County Auditor Registration. The City Manager is hereby authorized and directed to file a certified copy of this Resolution with the County Auditor of Ramsey County, together with such other information as such County Auditor shall require, and to obtain from said County Auditor a certificate that the Note has been entered on his/her bond register.

5.02. Certification of Proceedings. The officers of the City are hereby authorized and directed to prepare and furnish to the purchaser of the Note certified copies of all proceedings and records of the City, and such other affidavits, certificates, and information as may be required to show the facts relating to the legality and marketability of the Note as the same appear from the books and records under their custody and control or as otherwise known to them, and all such certified copies, certificates and affidavits, including any heretofore furnished, shall be deemed representations of the City as to the facts recited therein.

Adopted this 7th day of January, 2013.

---

Mayor

Attest:

---

City Manager

(Seal)

**Development Program  
for Municipal Development District No. 2**

**and the**

**Tax Increment Financing Plan  
for the establishment of**

**Tax Increment Financing District No. 8  
Lakeview Terrace  
(a redevelopment district)**

**within**

**Municipal Development District No. 2**



**City of Shoreview  
Ramsey County  
State of Minnesota**

Draft: August 15, 2012

Public Hearing: January 7, 2013

Adopted:

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## ***Section 1 - Development Program for Municipal Development District No. 2***

### **Foreword**

The following text represents a Modification to the Development Program for Municipal Development District No. 2. This modification represents a continuation of the goals and objectives set forth in the Development Program for Municipal Development District No. 2. Generally, the substantive changes include the establishment of Tax Increment Financing District No. 8. (As Modified August 20, 2012)

Tax Increment District No. 8 was created to assist with the redevelopment of the Midland Plaza Shopping Center site. The shopping center will be demolish, Owasso Street will be vacated and realigned to make a buildable site for a new 104 unit market rate apartment building called Lake View Terrace. The project will be owned by Lake View Terrace, LLC and operated by Tycon Companies, the manager of the adjacent Midland Terrace apartment complex.

The realignment of Owasso Street is the catalyst for the reconstruction of the entire intersection which includes improvements to County Road E, Victoria Street, and the Canadian Pacific (CP) Railroad. Assistance for the project will include the demolition of Midland Plaza, the vacation and reconstruction of Owasso Street, the reconstruction and improvement of County Road E, Victoria Street and the Railroad property, utility and site preparation work, parking and other TIF eligible activities.

### **Definitions**

The terms defined below shall, for purposes of the Development Program, have the meanings herein specified, unless the context otherwise specifically required:

"City" means the City of Shoreview, a municipal corporation and political subdivision of the State of Minnesota.

"Comprehensive Plan" means the documents which contain the objectives, policies, standards and programs to guide public and private land use, development, redevelopment and preservation for all lands and water within the City.

"Council" means the City Council of the City of Shoreview, also referred to as the governing body. (See "Governing Body" below).

"County" means the County of Ramsey, Minnesota.

"County Board" means the Board of Commissioners for Ramsey County.

"Development District Act" means the statutory provisions of Minnesota Statutes, Sections 469.124 to 469.134 as amended and supplemented.

"Development District" means Municipal Development District No. 2 in the City, which was created and established pursuant to and in accordance with the Development District Act, and is geographically described in Section 1, Subsection 10 of the Development Program.

"Development Program" means this Development Program for Municipal Development District No. 2, initially adopted by the Council on May 5, 1995, and as it shall be modified. As defined in Minnesota Statutes, Section 469.125, Subdivision 5, a development program is a statement of objectives of the City for

improvement of a development district which contains a complete statement as to the public facilities to be constructed within the district, the open space to be created, the environmental controls to be applied, the proposed reuse of private property and the proposed operations of the district after the capital improvements within the district have been completed.

"Governing Body" means the duly elected Council.

"Municipal Industrial Development Act" means the statutory provisions of Minnesota Statutes, Sections 469.152 to 469.165, as amended.

"Municipality" means any city, however organized as defined in Minnesota Statutes, Section 469.125, Subdivision 2.

"Project Area" means the Development District as geographically described in Subsection 1, Subsection 10 of the Development Program.

"State" means the State of Minnesota.

"Tax Increment Bonds" means any general obligation or revenue tax increment bonds issued and to be issued by the City To finance the public costs associated with Municipal Development District No. 2, as stated in the Development Program and in the Tax Increment Financing Plans for the Tax Increment Financing Districts within Municipal Development District No. 2. The term "Tax Increment Bonds" shall also include any obligations issued to refund the Tax Increment Bonds.

"Tax Increment Financing District" means any tax increment financing district presently established or to be established in the future in Municipal Development District No. 2.

"Tax Increment Financing Act" means the statutory provisions of Minnesota Statutes, Sections 469.174 to 469.1799, inclusive, as amended.

## **SUBSECTION 1.1.**

### **STATEMENT AND FINDING OF PUBLIC PURPOSE**

The City Council (the "Council") of the City of Shoreview (the "City") determines that there is a need for development and redevelopment within the corporate limits of the City in the Development District to provide employment opportunities, to improve the tax base, maintain and renovate housing stock and to improve the general economy of the State. It is found that the area within the Development District is potentially more useful and valuable than is being realized under existing development, is less productive than is possible under this program and, therefore, is not contributing to the tax base to its full potential.

Therefore, the City has determined to exercise its authority to develop a modified program for improving Development District No. 2 of the City to provide impetus for private development, to maintain and increase employment, maintain and renovate housing stock, to utilize existing potential and to provide other facilities as are outlined in the Development Program adopted by the City.

The Council finds that the welfare of the City as well as the State of Minnesota requires active promotion, attraction, encouragement and development of economically sound industry, commerce and housing activities to carry out its stated public purpose objectives.

## **SUBSECTION 1.2.**

### **STATUTORY AUTHORITY**

The Council determines that it is desirable and in the public interest to modify, develop and administer a Development Program for Development District No. 2 (the "Development District") in the City to implement its Development District Plan, pursuant to the provisions of Sections 469.124 to 469.134, as amended, of Minnesota Statutes (the "Development District Act").

Funding of the necessary activities and improvements in the Development District shall be accomplished through tax increment financing in accordance with Minnesota Statutes, Sections 469.174 through 469.179, inclusive (the "Tax Increment Act") and through the use of industrial revenue bonds pursuant to the provisions of Chapter 469.152 to 469.165, as amended, of Minnesota Statutes (the "Municipal Industrial Development Act").

The City has designated the corporate limits (Modification No.4, 4/19/2010) of the City as Development District No. 2 as authorized by Minnesota Statutes, Section 469.126 of the Development District Act. Within the Development District, the City plans to undertake tax increment financing pursuant to Minnesota Statutes, Section 469.174, Subd. 10, 10(A), 11 and 12 of the Tax Increment Financing Act.

## **SUBSECTION 1.3.**

### **STATEMENT OF OBJECTIVES**

The Council determines that the modification of the Development District will provide the City with the ability to achieve certain public purpose goals not otherwise obtainable in the foreseeable future without City intervention in the normal development process. The public purpose goals include: restore and improve the tax base and tax revenue generating capacity of the Development District; increase employment opportunities; realize comprehensive planning goals; remove blighted conditions; revitalize the property within the Development District to create an attractive, comfortable, convenient, and efficient area for industrial, residential, commercial, governmental, convention, and related uses.

The City and Council seek to achieve the following Development District program objectives:

1. Promote and secure the prompt development of certain property in the Development District, which property is not now in productive use or in its highest and best use, in a manner consistent with the City's Comprehensive Plan and with a minimum adverse impact on the environment, and thereby promote and secure the development of other land in the City.
2. Promote and secure additional employment opportunities within the Development District and the City for residents of the City and the surrounding area, thereby improving living standards, reducing unemployment and the loss of skilled and unskilled labor and other human resources in the City.
3. Secure the increase of commercial property subject to taxation by the City, Independent School Districts, Ramsey County, and other taxing jurisdictions in order to better enable such entities to pay for governmental services and programs required to be provided by them.
4. Provide for the financing and construction of public improvements in and adjacent to the Development District, necessary for the orderly and beneficial development of the Development District and adjacent areas of the City.

5. Promote the concentration of commercial, office, and other appropriate development in the Development District so as to maintain the area in a manner compatible with its accessibility and prominence in the City.
  6. Encourage local business expansion, improvement, and development, whenever possible.
  7. Create a desirable and unique character within the Development District through quality land use alternatives and design quality in new and redeveloped buildings.
  8. Encourage and provide maximum opportunity for private redevelopment of existing areas and structures which are compatible with the Development Program.
  9. Specific objectives include:
    - a. Acquire land or space which is vacant, unused, underused or inappropriately used for new or expanding uses as well as supportive parking.
    - b. Encourage the renovation and expansion of existing businesses.
    - c. Acquire property containing structurally substandard buildings and remove structurally substandard buildings for which rehabilitation is not feasible.
    - d. Provide park improvements to compliment private development.
    - e. Eliminate blighting influences which impede potential development.
    - f. Acquisition of property to support park improvements and proposed development.
    - g. Provide opportunities for market rate and affordable housing development.
    - h. Fund and operate loan programs for housing improvement activities.
- (Modification No. 4, 4/19/2010)

#### **SUBSECTION 1.4.**

##### **ESTIMATED PUBLIC COSTS AND SUPPORTIVE DATA**

The estimated costs of the public improvements to be made within the Development District and financed by tax increments will be derived from the tax increment financing districts within Development District No. 2. (See Appendix "D" of Tax Increment Plan)

#### **SUBSECTION 1.5.**

##### **ENVIRONMENTAL CONTROLS**

The proposed development activities in the Development District do not present significant environmental concerns. All municipal actions, public improvements and private development shall be carried out in a manner consistent with existing environmental standards.

## **SUBSECTION 1.6.**

### **PROPOSED REUSE OF PROPERTY**

The public improvements needed to bring about the redevelopment of property may include acquisition of buildings, demolition and removal, site improvements, and general improvements. The estimated public improvement costs will be summarized in each of the applicable tax increment financing plans.

The Development Program does contemplate the acquisition of private property at such time as a private developer presents an economically feasible program for the reuse of that property. Proposals, in order to be considered, must be within the framework of the above cited goals and objectives, and must clearly demonstrate feasibility as a public program. Prior to formal consideration of the acquisition of any property, the City Council will require a binding contract, performance bond, and/or other evidence or guarantees that a supporting tax increment or other funds will be available to repay the public cost associated with the proposed acquisition. It shall be the intent of the City to negotiate the acquisition of property whenever necessary. Appropriate restrictions regarding the reuse and redevelopment of property shall be incorporated into any land sale contract or development agreement to which the City is a part.

## **SUBSECTION 1.7.**

### **ADMINISTRATION AND MAINTENANCE OF DEVELOPMENT DISTRICT**

Maintenance and operation of the public improvements will be the responsibility of the Manager of the City who shall serve as Administrator of the Development District. Each year the Administrator will submit to the Council the maintenance and operation budget for the following year.

The Administrator will administer the Development District pursuant to the provisions of Minnesota Statutes, Section 469.131 of the Development District Act; provided, however, that such powers may only be exercised at the direction of the Council. No action taken by the Administrator pursuant to the above mentioned powers shall be effective without authorization by the Council.

## **SUBSECTION 1.8.**

### **REHABILITATION**

Owners of properties within the Development District will be encouraged to rehabilitate their properties to conform with the applicable state and local codes and ordinances, as well as any design standards. Owners of properties who purchase property or receive assistance within the Development District from the City may be required to rehabilitate their properties as a condition of sale of land. The City will provide such rehabilitation assistance as may be available from federal, state or local sources.

## **SUBSECTION 1.9.**

### **RELOCATION**

The City accepts its responsibility for providing for relocation pursuant to Minnesota Statutes, Section 469.133 of the Development District Act, if applicable.

**SUBSECTION 1.10.**

**BOUNDARY OF DEVELOPMENT DISTRICT**

(Modification No. 4, 4/19/2010)

MDD No. 1 (Removed 5/15/95)

MDD No. 2 (Modification No.4, 4/19/2010)

The boundary of MDD No. 2 will include **all** of the following **Sections**:

Sections 2, 3, 4, 11, 14, 23, 24, 25, 26, 35, 36

The boundary of MDD No. 2 will include **partial** of the following **Sections**:

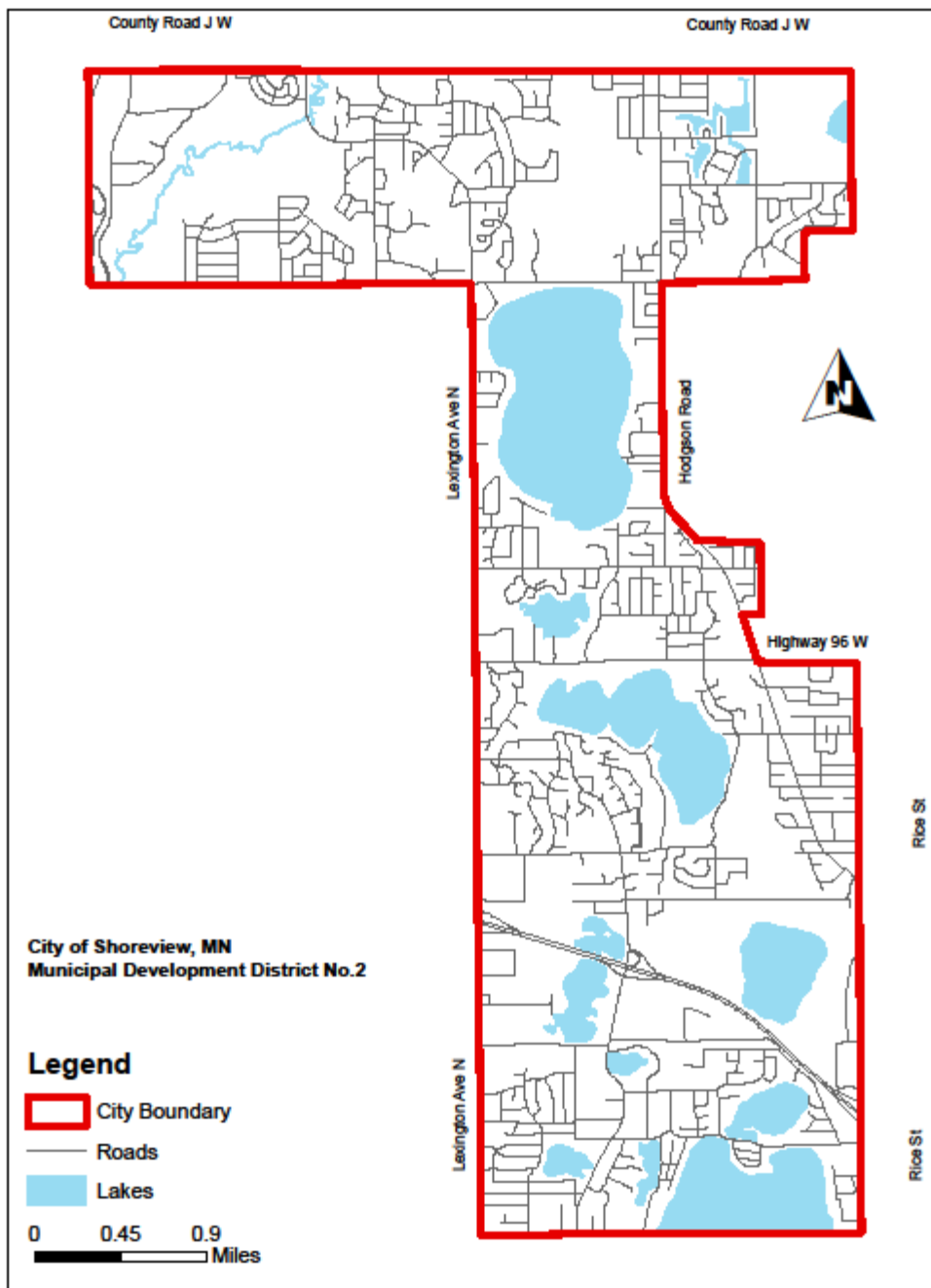
Section 1: Includes the portion containing the corporate limits of the City of Shoreview and excluding the portion of the Section residing in the corporate limits of the City of North Oaks.

Section 13: Includes the portion containing the corporate limits of the City of Shoreview and excluding the portion of the Section residing in the corporate limits of the City of North Oaks.

**(AS MODIFIED JANUARY 7, 2013)**

**The boundaries of Municipal Development District No. 2 are not being changed as part of the modification to Municipal Development District No. 2.**

**SEE MAP ON FOLLOWING PAGE**



**Section 2 - Tax Increment Financing Plan**  
**for Tax Increment Financing District No. 8**

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**Subsection 2-1. Foreword**

The City of Shoreview (the "City"), staff and consultants have prepared the following information to expedite the establishment of Tax Increment Financing District No. 8 (the "District"), a redevelopment tax increment financing district, located in Municipal Development District No. 2.

**Subsection 2-2. Statutory Authority**

Within the City, there exist areas where public involvement is necessary to cause development or redevelopment to occur. To this end, the City has certain statutory powers pursuant to *Minnesota Statutes ("M.S."), Sections 469.124 to 469.134*, inclusive, as amended, and *M.S., Sections 469.174 to 469.1799*, inclusive, as amended (the "Tax Increment Financing Act" or "TIF Act"), to assist in financing public costs related to this project.

This plan constitutes the Tax Increment Financing Plan (the "TIF Plan") for the District. Other relevant information is contained in the Modification to the Development Program for Municipal Development District No. 2.

**Subsection 2-3. Statement of Objectives**

The District currently consists of portions of four parcels of land and adjacent and internal rights-of-way, including Owasso Street and designated portions of County Road E, Victoria Street and the adjacent railroad property owned and operated by Canadian Pacific Railroad. The District is being created to assist with the redevelopment of the Midland Plaza Shopping Center site. The shopping center will be demolished, and Owasso Street will be vacated and realigned to make a buildable site for a new 104 unit market rate apartment building called Lake View Terrace. The project will be owned by Lake View Terrace, LLC and operated by Tycon Companies, the manager of the adjacent Midland Terrace apartment complex.

Please see Appendix A for further District information.

The City has not entered into an agreement at the time of preparation of this TIF Plan, but construction of the road improvements are likely to commence in spring/summer 2013 and the new market rate apartment building in summer/fall 2013. This TIF Plan is expected to achieve many of the objectives outlined in the Development Program for Municipal Development District No. 2.

The activities, contemplated in the Modification to the Development Program and the TIF Plan, do not preclude the undertaking of other qualified development or redevelopment activities. These activities are anticipated to occur over the life of Municipal Development District No. 2 and the District.

**Subsection 2-4. Development Program Overview**

1. Property to be Acquired - Selected property located within the District may be acquired by the City and is further described in this TIF Plan.
2. Relocation - Relocation services, to the extent required by law, are available pursuant to *M.S., Chapter 117* and other relevant state and federal laws.



3. Upon approval of a developer's plan relating to the project and completion of the necessary legal requirements, the City may sell to a developer selected properties that it may acquire within the District or may lease land or facilities to a developer.
4. The City may perform or provide for some or all necessary acquisition, construction, relocation, demolition, and required utilities and public street work within the District.
5. The City proposes both public and private infrastructure within the District. The proposed reuse of private property within the District will be for a 104 unit market rate apartment building and there will be continued operation of Municipal Development District No. 2 after the capital improvements within Development District No. 2 have been completed.

### **Subsection 2-5. Description of Property in the District and Property To Be Acquired**

The District encompasses all property and adjacent and internal rights-of-way identified by the parcels listed in Appendix C of this TIF Plan. Additionally, the District contains portions of County Road E, Victoria Street and the adjacent Railroad property impacted by the reconstruction of the intersection of County Road E/Owasso Street and Victoria Street. Please also see the map in Appendix B for further information on the location of the District.

The City may acquire any parcel within the District including interior and adjacent street rights of way. Any properties identified for acquisition will be acquired by the City only in order to accomplish one or more of the following: storm sewer improvements; provide land for needed public streets, utilities and facilities; carry out land acquisition, site improvements, clearance and/or development to accomplish the uses and objectives set forth in this plan. The City may acquire property by gift, dedication, condemnation or direct purchase from willing sellers in order to achieve the objectives of this TIF Plan. Such acquisitions will be undertaken only when there is assurance of funding to finance the acquisition and related costs.

### **Subsection 2-6. Classification of the District**

The City, in determining the need to create a tax increment financing district in accordance with *M.S., Sections 469.174 to 469.1799*, as amended, inclusive, finds that the District, to be established, is a redevelopment district pursuant to *M.S., Section 469.174, Subd. 10* as defined below:

*"Redevelopment district" means a type of tax increment financing district consisting of a project, or portions of a project, within which the authority finds by resolution that one or more of the following conditions, reasonably distributed throughout the district, exists:*

*(1) parcels consisting of 70 percent of the area of the district are occupied by buildings, streets, utilities, paved or gravel parking lots, or other similar structures and more than 50 percent of the buildings, not including outbuildings, are structurally substandard to a degree requiring substantial renovation or clearance;*

*(2) the property consists of vacant, unused, underused, inappropriately used, or infrequently used rail yards, rail storage facilities, or excessive or vacated railroad rights-of-way;*

*(3) tank facilities, or property whose immediately previous use was for tank facilities, as defined in section 115C.02, subdivision 15, if the tank facilities:*

*(i) have or had a capacity of more than 1,000,000 gallons;*

*(ii) are located adjacent to rail facilities; and*

*(iii) have been removed or are unused, underused, inappropriately used, or infrequently used; or*

*(4) a qualifying disaster area, as defined in subdivision 10b.*

*(b) For purposes of this subdivision, "structurally substandard" shall mean containing defects in structural elements or a combination of deficiencies in essential utilities and facilities, light and ventilation, fire protection including adequate egress, layout and condition of interior partitions, or similar factors, which defects or deficiencies are of sufficient total significance to justify substantial renovation or clearance.*

*(c) A building is not structurally substandard if it is in compliance with the building code applicable to new buildings or could be modified to satisfy the building code at a cost of less than 15 percent of the cost of constructing a new structure of the same square footage and type on the site. The municipality may find that a building is not disqualified as structurally substandard under the preceding sentence on the basis of reasonably available evidence, such as the size, type, and age of the building, the average cost of plumbing, electrical, or structural repairs, or other similar reliable evidence. The municipality may not make such a determination without an interior inspection of the property, but need not have an independent, expert appraisal prepared of the cost of repair and rehabilitation of the building. An interior inspection of the property is not required, if the municipality finds that (1) the municipality or authority is unable to gain access to the property after using its best efforts to obtain permission from the party that owns or controls the property; and (2) the evidence otherwise supports a reasonable conclusion that the building is structurally substandard. Items of evidence that support such a conclusion include recent fire or police inspections, on-site property tax appraisals or housing inspections, exterior evidence of deterioration, or other similar reliable evidence. Written documentation of the findings and reasons why an interior inspection was not conducted must be made and retained under section 469.175, subdivision 3, clause (1). Failure of a building to be disqualified under the provisions of this paragraph is a necessary, but not a sufficient, condition to determining that the building is substandard.*

*(d) A parcel is deemed to be occupied by a structurally substandard building for purposes of the finding under paragraph (a) or by the improvements described in paragraph (e) if all of the following conditions are met:*

*(1) the parcel was occupied by a substandard building or met the requirements of paragraph (e), as the case may be, within three years of the filing of the request for certification of the parcel as part of the district with the county auditor;*

*(2) the substandard building or the improvements described in paragraph (e) were demolished or removed by the authority or the demolition or removal was financed by the authority or was done by a developer under a development agreement with the authority;*

*(3) the authority found by resolution before the demolition or removal that the parcel was occupied by a structurally substandard building or met the requirements of paragraph (e) and that after demolition and clearance the authority intended to include the parcel within a district; and*

*(4) upon filing the request for certification of the tax capacity of the parcel as part of a district, the authority notifies the county auditor that the original tax capacity of the parcel must be adjusted as provided by section 469.177, subdivision 1, paragraph (f).*

*(e) For purposes of this subdivision, a parcel is not occupied by buildings, streets, utilities, paved or gravel parking lots, or other similar structures unless 15 percent of the area of the parcel contains buildings, streets, utilities, paved or gravel parking lots, or other similar structures.*

*(f) For districts consisting of two or more noncontiguous areas, each area must qualify as a redevelopment district under paragraph (a) to be included in the district, and the entire area of the district must satisfy paragraph (a).*

In meeting the statutory criteria the City relies on the following facts and findings:

- The District will be a redevelopment district consisting of portions of 4 parcels (new plat to be filed with Ramsey County) plus the portions of County Road E, Victoria Street and the Railroad property impacted by the reconstruction of the intersection. (See Appendix A and B for details).
- An inventory shows that parcels consisting of 70% of the area in the District are occupied by building, streets, utilities or other improvements.
- An inspection of the buildings located within the District finds that more than 50 percent of the buildings are structurally substandard as defined in the TIF Act. (See Appendix F).

Pursuant to *M.S., Section 469.176, Subd. 7*, the District does not contain any parcel or part of a parcel that qualified under the provisions of *M.S., Sections 273.111 or 273.112 or Chapter 473H* for taxes payable in any of the five calendar years before the filing of the request for certification of the District.

#### **Subsection 2-7. Duration and First Year of Tax Increment of the District**

Pursuant to *M.S., Section 469.175, Subd. 1, and M.S., Section 469.176, Subd. 1*, the duration of the District must be indicated within the TIF Plan. Pursuant to *M.S., Section 469.176, Subd. 1b.*, the duration of the District will be 26 years after receipt of the first increment by the City. The date of receipt by the City of the first tax increment is expected to be 2015. Thus, it is estimated that the District, including any modifications of the TIF Plan for subsequent phases or other changes, would terminate after 2040, or when the TIF Plan is satisfied. If the first increment is received in 2016, the term of the District will be 2041. The City reserves the right to decertify the District prior to the legally required date.

#### **Subsection 2-8. Original Tax Capacity, Tax Rate and Estimated Captured Net Tax Capacity Value/Increment and Notification of Prior Planned Improvements**

Pursuant to *M.S., Section 469.174, Subd. 7 and M.S., Section 469.177, Subd. 1*, the Original Net Tax Capacity (ONTC) as certified for the District will be based on the market values placed on the property by the assessor in 2012 for taxes payable 2013.

Pursuant to *M.S., Section 469.177, Subds. 1 and 2*, the County Auditor shall certify in each year (beginning in the payment year 2013) the amount by which the original value has increased or decreased as a result of:

1. Change in tax exempt status of property;
2. Reduction or enlargement of the geographic boundaries of the district;
3. Change due to adjustments, negotiated or court-ordered abatements;
4. Change in the use of the property and classification;
5. Change in state law governing class rates; or
6. Change in previously issued building permits.

In any year in which the current Net Tax Capacity (NTC) value of the District declines below the ONTC, no value will be captured and no tax increment will be payable to the City.

The original local tax rate for the District will be the local tax rate for taxes payable 2012. The ONTC and the Original Local Tax Rate for the District appear in the table below.

Pursuant to *M.S., Section 469.174 Subd. , and M.S., Section 469.177, Subd. 1, 2, and 4*, the estimated Captured Net Tax Capacity (CTC) of the District, within Municipal Development District No. 2, upon completion of the projects within the District, will annually approximate tax increment revenues as shown in the table below. The City requests 100 percent of the available increase in tax capacity for repayment of its obligations and current expenditures, beginning in the tax year payable 2015. The Project Tax Capacity (PTC) listed is an estimate of values when the projects within the District are completed.

Project Estimated Tax Capacity upon Completion (PTC)	\$149,500	
Original Estimated Net Tax Capacity (ONTC)	\$16,335	
Estimated Captured Tax Capacity (CTC)	\$133,165	
Original Local Tax Rate	131.4740%	Pay 2012
Estimated Annual Tax Increment (CTC x Local Tax Rate)	\$175,077	
Percent Retained by the City	100%	

Pursuant to *M.S., Section 469.177, Subd. 4*, the City shall, after a due and diligent search, accompany its request for certification to the County Auditor or its notice of the District enlargement pursuant to *M.S., Section 469.175, Subd. 4*, with a listing of all properties within the District or area of enlargement for which building permits have been issued during the eighteen (18) months immediately preceding approval of the TIF Plan by the municipality pursuant to *M.S., Section 469.175, Subd. 3*. The County Auditor shall increase the original net tax capacity of the District by the net tax capacity of improvements for which a building permit was issued.

**The City has reviewed the area to be included in the District and has determined that a demolition permit was issued for parcel 35.30.23.12.001 (Midland Plaza) on December 11, 2012 which occurred during the 18 months immediately preceding approval of the TIF Plan by the City.**

### **Subsection 2-9. Sources of Revenue/Bonds to be Issued**

Public Improvement costs, acquisition, relocation, utilities, street and sidewalks, and site preparation costs and other costs outline in the Use of Funds will be financed primarily through the annual collection of tax increments. The City reserves the right to use other sources of revenue legally applicable to the City and the Plan, including but not limited to, special assessments, general property taxes, state aid for road maintenance and construction, proceeds from the sale of land, other contributions from the developer and investment income, to pay for the estimated public costs.

The City reserves the right to incur bonded indebtedness or other indebtedness as a result of the Plan. As presently proposed, the project will be financed through a loan from Tax Increment District No. 1 with the loan repayment plus interest being the first use of the tax increment generated by the new TIF District No. 8. TIF District No. 1 is a pre-1990 district which allows for pooling outside of the district, but within the Development District for MDD No. 2. Additional indebtedness may be required to finance other authorized activities. The total amount of bonded indebtedness or other indebtedness related to the use of tax increment financing will not exceed \$3,100,000 without a modification to the Plan pursuant to applicable statutory requirements.

This provision does not obligate the City to incur debt. The City will issue bonds or incur other debt only upon the determination that such action is in the best interest of the City. The City may also finance the activities to be undertaken pursuant to the TIF Plan through loans from funds of the City or to reimburse the developer on a "pay-as-you-go" basis for eligible costs paid for by a developer.

The total estimated tax increment revenues for the District are expected to be approximately \$4,884,562 as shown in the table below:

<b>SOURCES OF FUNDS</b>	<b>TOTAL</b>
Tax Increment	\$4,885,000
Met Council LCDA Grant	\$ 655,000
Ramey County	\$ 360,000
Private Assessment Bond	\$1,000,000
<b>PROJECT REVENUES</b>	<b>\$5,900,000</b>
Inter-fund Loan/Transfer from TIF No. 1	\$1,100,000
<b>TOTAL PROJECT AND FINANCE REVENUES</b>	<b>\$8,900,000</b>

The City may issue bonds (as defined in the TIF Act) secured in whole or in part with tax increments from the District in a maximum principal amount of \$3,100,000. Such bonds may be in the form of pay-as-you-go notes, revenue bonds or notes, general obligation bonds, or inter fund loans. This estimate of total bonded indebtedness is a cumulative statement of authority under this TIF Plan as of the date of approval.

### **Subsection 2-10. Uses of Funds**

Currently under consideration for the District is a proposal to facilitate the demolition of an existing retail strip center; realign Owasso Street, Victoria Street and County Road E; upgrade the railroad crossing and signalization; in order to construction of a 104 unit- six story market rate luxury apartment building. The City has determined that it will be necessary to provide assistance to the project(s) for certain District costs, as described. The City has studied the feasibility of the development or redevelopment of property in and around the District. To facilitate the establishment and development or redevelopment of the District, this TIF Plan authorizes the use of tax increment financing to pay for the cost of certain eligible expenses. The estimate of public costs and uses of funds associated with the District is outlined in the following table.

<b><u>USES OF TAX INCREMENT FUNDS</u></b>	<b><u>TOTAL</u></b>
Streets and Sidewalks	\$2,550,000
Rail road Signal/Crossing	\$ 350,000
Demolition/Site Improvements	\$ 205,000
Parking Facilities	\$ 2,000,000
<u>Administrative Costs (up to 10%)</u>	<u>\$ 480,000</u>
<b>PROJECT COST TOTAL</b>	<b>\$5,585,000</b>
Private Assessment Bond	\$1,000,000
Inter-fund Loan from TIF No. 1 Principal	\$1,100,000
Loan Interest	\$ 1,215,000
<b>TOTAL FINANCING AND PROJECT COSTS</b>	<b>\$8,900,000</b>

For purposes of OSA reporting forms, uses of funds include inter fund loans, bond principal, TIF Note principal, and transfers, all in the principal amount of up to \$3,100,000. These amounts are not cumulative, but represent the various forms of "bonds" included within the concept of bonded indebtedness under the TIF Act.

The total project cost, including financing costs (interest) listed in the table on the previous page does not exceed the total projected tax increments for the District as shown in Appendix D.

Estimated capital and administrative costs listed above are subject to change among categories by modification of the TIF Plan without hearings and notices as required for approval of the initial TIF Plan, so long as the total capital and administrative costs combined do not exceed the total listed on the previous page.

Further, the City may spend up to 25 percent of the tax increments from the District for activities (described in the table on the previous page) located outside the boundaries of the District but within the boundaries of the Project (including administrative costs, which are considered to be spend outside the District), subject to all other terms and conditions of this TIF Plan.

### **Subsection 2-11. Business Subsidies**

Pursuant to M.S., *Section 116J.993, Subd. 3*, the following forms of financial assistance are not considered a business subsidy:

- (1) A business subsidy of less than \$150,000;
- (2) Assistance that is generally available to all businesses or to a general class of similar businesses, such as a line of business, size, location, or similar general criteria;
- (3) Public improvements to buildings or lands owned by the state or local government that serve a public purpose and do not principally benefit a single business or defined group of businesses at the time the improvements are made;
- (4) Redevelopment property polluted by contaminants as defined in *M.S., Section 116J.552, Subd. 3*;
- (5) Assistance provided for the sole purpose of renovating old or decaying building stock or bringing it up to code and assistance provided for designated historic preservation districts, provided that the assistance is equal to or less than 50% of the total cost;
- (6) Assistance to provide job readiness and training services if the sole purpose of the assistance is to provide those services;
- (7) Assistance for housing;
- (8) Assistance for pollution control or abatement, including assistance for a tax increment financing hazardous substance subdistrict as defined under *M.S., Section 469.174, Subd. 23*;
- (9) Assistance for energy conservation;
- (10) Tax reductions resulting from conformity with federal tax law;
- (11) Workers' compensation and unemployment compensation;
- (12) Benefits derived from regulation;
- (13) Indirect benefits derived from assistance to educational institutions;
- (14) Funds from bonds allocated under chapter 474A, bonds issued to refund outstanding bonds, and bonds issued for the benefit of an organization described in section 501 (c) (3) of the Internal Revenue Code of 1986, as amended through December 31, 1999;
- (15) Assistance for a collaboration between a Minnesota higher education institution and a business;
- (16) Assistance for a tax increment financing soils condition district as defined under *M.S., Section 469.174, Subd. 19*;



- (17) Redevelopment when the recipient's investment in the purchase of the site and in site preparation is 70 percent or more of the assessor's current year's estimated market value;
- (18) General changes in tax increment financing law and other general tax law changes of a principally technical nature.
- (19) Federal assistance until the assistance has been repaid to, and reinvested by, the state or local government agency;
- (20) Funds from dock and wharf bonds issued by a seaway port authority;
- (21) Business loans and loan guarantees of \$150,000 or less; and
- (22) Federal loan funds provided through the United States Department of Commerce, Economic Development Administration.

**The City will comply with *M.S., Sections 116J.993 to 116J.995* to the extent the tax increment assistance under this TIF Plan qualifies for the exemption for housing (7) listed above and on the previous page.**

### **Subsection 2-12. County Road Costs**

Pursuant to *M.S., Section 469.175, Subd. 1a*, the county board may require the City to pay for all or part of the cost of county road improvements if the proposed development to be assisted by tax increment will, in the judgment of the county, substantially increase the use of county roads requiring construction of road improvements or other road costs and if the road improvements are not scheduled within the next five years under a capital improvement plan or within five years under another county plan.

If the county elects to use increments to improve county roads, it must notify the City within forty-five days of receipt of this TIF Plan. The City is aware that the county could claim that tax increment should be used for county roads, even after the public hearing.

*Tax increment from TIF District No. 8 will be used to offset the costs of the reconstruction and signalization of both County Road E [Ramsey County 15] and Victoria Street [County Road 52]. The estimates for the road reconstruction project (2012 figures) and the proposed financing split are depicted in the table below.*

<i>Road Project</i>	<i>Ramsey County Cost</i>	<i>City of Shoreview</i>
<i>County Road E</i>	<i>230,009</i>	<i>456,929</i>
<i>Victoria Street</i>	<i>67,000</i>	<i>545,517</i>
<i>Owasso Street Signal</i>	<i>33,500</i>	<i>16,500</i>
<i>CP Rail Crossing Upgrade</i>	<i>0</i>	<i>350,000</i>
<b><i>Totals</i></b>	<b><i>330,509</i></b>	<b><i>1,368,946</i></b>

### **Subsection 2-13. Estimated Impact on Other Taxing Jurisdictions**

The estimated impact on other taxing jurisdictions assumes that the redevelopment contemplated by the TIF Plan would occur without the creation of the District. However, the City has determined that such development or redevelopment would not occur "but for" tax increment financing and that, therefore, the fiscal impact on other taxing jurisdictions is \$0. The estimated fiscal impact of the District would be as follows if the "but for" test was not met:

### IMPACT ON TAX BASE

	<b>2011/Pay 2012 Total Net Tax Capacity</b>	<b>Estimated Captured Tax Capacity (CTC) Upon Completion</b>	<b>Percent of CTC to Entity Total</b>
Ramsey County	480,575,818	133,165	0.000277%
City of Shoreview	29,471,145	133,165	0.004518%
Moundsview ISD No.621	94,727,714	133,165	0.001406%

### IMPACT ON TAX RATES

	<b>Pay 2012 Extension Rates</b>	<b>Percent of Total</b>	<b>CTC</b>	<b>Potential Taxes</b>
Ramsey County	.61316	46.64%	133,165	81,652
City of Shoreview	.33252	25.29%	133,165	44,280
Moundsview ISD No.621	.29044	22.09%	133,165	38,676
Other (HRA, EDA, et.al)	<u>.07861</u>	<u>5.98%</u>	133,165	<u>10,468</u>
<b>Total</b>	<b>1.31474</b>	<b>100%</b>		<b>\$175,076</b>

The estimates listed display the captured tax capacity when all construction is completed. The tax rate used for calculations is the actual Pay 2012 rate. The total net capacity for the entities listed is based on actual Pay 2012 figures.

Pursuant to *M.S. Section 469.175 Subd. 2(b)*:

- (1) Estimate of total tax increment. It is estimated that the total amount of tax increment that will be generated over the life of the District is \$4,884,562;
- (2) Probable impact of the District on city provided services and ability to issue debt. An impact of the District on police protection is expected. With any addition of new residents or businesses, police calls for service will be increased. New developments add an increase in traffic, and additional overall demands to the call load. The City does not expect that the proposed development, in and of itself, will necessitate new capital investment in vehicles or require that the City expand its police force.

The probable impact of the District on fire protection is not expected to be significant. Typically new buildings generate few calls, if any, and are of superior construction and include fire protection equipment.

The development will impact traffic movements in the area. The additional traffic will be managed through the reconstruction of Owasso, Victoria and County Road E as part of the development project. These costs in addition to additional traffic signals and trails will improve safety in the area. The costs for these public improvements will be paid for out of revenues generated in the TIF District.

The development in the District is expected to contribute an estimated \$68,122 in local sanitary sewer (SAC) and water (WAC) connection charges. This does not include water meter fees or fees charged by the Metropolitan Council.



The probable impact of any District general obligation tax increment bonds on the ability to issue debt for general fund purposes is expected to be minimal. There may be some general obligation debt issued in relation to this project, however, the amount will be such that there will be no impact on the City's ability to issue future debt or on the City's debt limit.

- (3) Estimated amount of tax increment attributable to school district levies. It is estimated that the amount of tax increments over the life of the District that would be attributable to school district levies, assuming the school district's share of the total local tax rate for all taxing jurisdictions remained the same, is \$1,005,539;
- (4) Estimated amount of tax increment attributable to county levies. It is estimated that the amount of tax increments over the life of the District that would be attributable to county levies, assuming the county's share of the total local tax rate for all taxing jurisdictions remained the same, is \$2,123,057;
- (5) Additional information requested by the county or school district. The City is not aware of any standard questions in a county or school district written policy regarding tax increment districts and impact on county or school district services. The county or school district must request additional information pursuant to *M.S. Section 469.175 Subd. 2(b)* within 15 days after receipt of the TIF Plan.

No requests for additional information from the county or school district regarding the proposed development for the District have been received.

## **Subsection 2-14. Supporting Documentation**

Pursuant to *M.S. Section 469.175, Subd. 1 (a), clause 7* the TIF Plan must contain identification and description of studies and analyses used to make the determination set forth in *M.S. Section 469.175, Subd. 3, clause (b)(2)* and the findings are required in the resolution approving the District. Following is a list of reports and studies on file at the City that support the City's findings:

- **ULI Study** - Technical Assistance Panel, Midland Terrace Site, 5/19/09
- **City Council reports or workshops (dates):** 7/09/09 ULI Workshop with PC; 8/1/11 LCDA Grant authorization to submit; 3/05/12 - Concept Stage PUD:
- **Planning Commission reports/workshops:** 7/09/09 ULI Workshop with CC, 2/28/12 Concept Stage PUD
- **LCDA Grant Application – Date & Title:** 7/15/11 Midland Terrace Plaza Redevelopment
- **Housing Action Plan** - page 12
- **EDA Staff Reports:** 8/13/2012; 7/9/2012; 6/11/2012; 5/9/2011; 4/9/2012;
- **Engineering and Consulting Engineer Reports:** CC Report 4/16/2012

## **Subsection 2-15. Definition of Tax Increment Revenues**

Pursuant to *M.S., Section 469.174, Subd. 25*, tax increment revenues derived from a tax increment financing district include all of the following potential revenue sources:

1. Taxes paid by the captured net tax capacity, but excluding any excess taxes, as computed under M.S., Section 469.177;
2. The proceeds from the sale or lease of property, tangible or intangible, to the extent the property was purchased by the Authority with tax increments;
3. Principal and interest received on loans or other advances made by the Authority with tax increments;

4. Interest or other investment earnings on or from tax increments;
5. Repayments or return of tax increments made to the Authority under agreements for districts for which the request for certification was made after August 1, 1993; and
6. The market value homestead credit paid to the Authority under M.S., Section 273.1384.

#### **Subsection 2-16. Modifications to the District**

In accordance with *M.S., Section 469.175, Subd. 4*, any:

1. Reduction or enlargement of the geographic area of the District, if the reduction does not meet the requirements of *M.S., Section 469.175, Subd. 4(e)*;
2. Increase in amount of bonded indebtedness to be incurred;
3. A determination to capitalize interest on debt if that determination was not a part of the original TIF Plan;
4. Increase in the portion of the captured net tax capacity to be retained by the City;
5. Increase in the estimate of the cost of the District, including administrative expenses, that will be paid or financed with tax increment from the District; or
6. Designation of additional property to be acquired by the City, shall be approved upon the notice and after the discussion, public hearing and findings required for approval of the original TIF Plan.

Pursuant to *M.S., Section 469.175 Subd. 4(f)*, the geographic area of the District may be reduced following the date of certification of the original net tax capacity by the county auditor, but shall not be enlarged after five years following the date of certification of the original net tax capacity by the county auditor. If an economic development district is enlarged, the reasons and supporting facts for the determination that the addition to the District meets the criteria of *M.S., Section 469.174, Subd. 12*, must be documented in writing and retained. The requirements of this paragraph do not apply if (1) the only modification is elimination of parcel(s) from the District and (2) (A) the current net tax capacity of the parcel(s) eliminated from the District equals or exceeds the net tax capacity of those parcel(s) in the District's original net tax capacity or (B) the City agrees that, notwithstanding *M.S., Section 469.177, Subd. 1*, the original net tax capacity will be reduced by no more than the current net tax capacity of the parcel(s) eliminated from the District. Economic Development districts, for which the request for certification date was made after June 30, 2009, may be enlarged provided the request for certification date of the enlargement is made prior to June 30, 2012.

The City must notify the County Auditor of any modification to the District. Modifications to the District in the form of a budget modification or an expansion of the boundaries will be recorded in the TIF Plan.

#### **Subsection 2-17. Administrative Expenses**

In accordance with *M.S., Section 469.174, Subd. 14*, administrative expenses means all expenditures of the City, other than:

1. Amounts paid for the purchase of land;
2. Amounts paid to contractors or others providing materials and services, including architectural and engineering services, directly connected with the physical development of the real property in the District;
3. Relocation benefits paid to or services provided for persons residing or businesses located in the District; or
4. Amounts used to pay principal or interest on, fund a reserve for, or sell at a discount bonds issued pursuant to *M.S., Section 469.178*; or
5. Amounts used to pay other financial obligations to the extent those obligations were used to finance costs described in clauses (1) to (3).

For districts for which the request for certification were made before August 1, 1979, or after June 30, 1982, and before August 1, 2001, administrative expenses also include amounts paid for services provided by bond counsel, fiscal consultants, and planning or economic development consultants. Pursuant to *M.S., Section 469.176, Subd. 3*, tax increment may be used to pay any authorized and documented administrative expenses for the District up to but not to exceed 10 percent of the total estimated tax increment expenditures authorized by the TIF Plan or the total tax increments, as defined by *M.S., Section 469.174, Subd. 25*, clause (1), from the District, whichever is less.

For districts for which certification was requested after July 31, 2001, no tax increment may be used to pay any administrative expenses for District costs which exceed ten percent of total estimated tax increment expenditures authorized by the TIF Plan or the total tax increments, as defined in *M.S., Section 469.174, Subd. 25, clause (1)*, from the District, whichever is less.

Pursuant to *M.S., Section 469.176, Subd. 4h*, tax increments may be used to pay for the County's actual administrative expenses incurred in connection with the District and are not subject to the percentage limits of *M.S., Section 469.176, Subd. 3*. The county may require payment of those expenses by February 15 of the year following the year the expenses were incurred.

Pursuant to *M.S., Section 469.177, Subd. 11*, the County Treasurer shall deduct an amount (currently .36 percent) of any increment distributed to the City and the County Treasurer shall pay the amount deducted to the State Treasurer for deposit in the state general fund to be appropriated to the State Auditor for the cost of financial reporting of tax increment financing information and the cost of examining and auditing authorities' use of tax increment financing. This amount may be adjusted annually by the Commissioner of Revenue.

#### **Subsection 2-18. Limitation of Increment**

The tax increment pledged to the payment of bonds and interest thereon may be discharged and the District may be terminated if sufficient funds have been irrevocably deposited in the debt service fund or other escrow account held in trust for all outstanding bonds to provide for the payment of the bonds at maturity or redemption date.

Pursuant to *M.S., Section 469.176, Subd. 6*:

*if, after four years from the date of certification of the original net tax capacity of the tax increment financing district pursuant to M.S., Section 469.177, no demolition, rehabilitation or renovation of property or other site preparation, including qualified improvement of a street adjacent to a parcel but not installation of utility service including sewer or water systems, has been commenced on a parcel located within a tax increment financing district by the authority or by the owner of the parcel in accordance with the tax increment financing plan, no additional tax increment may be taken from that parcel and the original net tax capacity of that parcel shall be excluded from the original net tax capacity of the tax increment financing district. If the authority or the owner of the parcel subsequently commences demolition, rehabilitation or renovation or other site preparation on that parcel including qualified improvement of a street adjacent to that parcel, in accordance with the tax increment financing plan, the authority shall certify to the county auditor that the activity has commenced and the county auditor shall certify the net tax capacity thereof as most recently certified by the commissioner of revenue and add it to the original net tax capacity of the tax increment financing district. The county auditor must enforce the provisions of this subdivision. The authority must submit to the county auditor evidence that the required activity has taken place for each parcel in the district. The evidence for a parcel must be submitted by February 1 of the fifth year following the year in which the parcel was certified as included in the district. For purposes of this subdivision, qualified improvements of a street are limited to (1) construction or opening of a new street, (2) relocation of a street, and (3) substantial reconstruction or rebuilding of an existing street.*

The City or a property owner must improve parcels within the District by approximately July 2015 and report such actions to the County Auditor.

### **Subsection 2-19. Use of Tax Increment**

The City hereby determines that it will use 100 percent of the captured net tax capacity of taxable property located in the District for the following purposes:

1. To pay the principal of and interest on bonds issued to finance a project;
2. To finance, or otherwise pay the capital and administration costs of Municipal Development District No. 2 pursuant to *M.S., Sections 469.124 to 469.134*;
3. To pay for project costs as identified in the budget set forth in the TIF Plan;
4. To finance, or otherwise pay for other purposes as provided in *M.S., Section 469.176, Subd. 4*;
5. To pay principal and interest on any loans, advances or other payments made to or on behalf of the City or for the benefit of Municipal Development District No. 2 by a developer;
6. To finance or otherwise pay premiums and other costs for insurance or other security guaranteeing the payment when due of principal of and interest on bonds pursuant to the TIF Plan or pursuant to *M.S., Chapter 462C, M.S., Sections 469.152 through 469.165, and/or M.S., Sections 469.178*; and
7. To accumulate or maintain a reserve securing the payment when due of the principal and interest on the tax increment bonds or bonds issued pursuant to *M.S., Chapter 462C, M.S., Sections 469.152 through 469.165, and/or M.S., Sections 469.178*.

These revenues shall not be used to circumvent any levy limitations applicable to the City nor for other purposes prohibited by *M.S., Section 469.176, Subd. 4*.

Tax increments generated in the District will be paid by Ramsey County to the City for the Tax Increment Fund of said District. The City will pay to the developer(s) annually an amount not to exceed an amount as specified in a developer's agreement to reimburse the costs of land acquisition, public improvements, demolition and relocation, site preparation, and administration. If the request for certification of the District was made after June 30, 2009 and no later than June 30, 2012 and construction commenced in the District by January 1, 2011, tax increments from the District may also be used to provide improvements, loans, subsidies, grants, interest rate subsidies, or assistance in any form to developments consisting of buildings and ancillary facilities. Remaining increment funds will be used for City administration (up to 10 percent) and the costs of public improvement activities outside the District.

### **Subsection 2-20. Excess Increments**

Excess increments, as defined in *M.S., Section 469.176, Subd. 2*, shall be used only to do one or more of the following:

1. Prepay any outstanding bonds;
2. Discharge the pledge of tax increment for any outstanding bonds;
3. Pay into an escrow account dedicated to the payment of any outstanding bonds; or
4. Return the excess to the County Auditor for redistribution to the respective taxing jurisdictions in proportion to their local tax rates. The City must spend or return the excess increments under paragraph (c) within nine months after the end of the year. In addition, the City may, subject to the limitations set forth herein, choose to modify the TIF Plan in order to finance additional public costs in Municipal Development District No. 2 or the District.

## **Subsection 2-21. Requirements for Agreements with the Developer**

The City will review any proposal for private development to determine its conformance with the Development Program and with applicable municipal ordinances and codes. To facilitate this effort, the following documents may be requested for review and approval: site plan, construction, mechanical, and electrical system drawings, landscaping plan, grading and storm drainage plan, signage system plan, and any other drawings or narrative deemed necessary by the City to demonstrate the conformance of the development with City plans and ordinances. The City may also use the Agreements to address other issues related to the development.

Pursuant to *M.S., Section 469.176, Subd. 5*, no more than 25 percent, by acreage, of the property to be acquired in the District as set forth in the TIF Plan shall at any time be owned by the City as a result of acquisition with the proceeds of bonds issued pursuant to *M.S., Section 469.178* to which tax increments from property acquired is pledged, unless prior to acquisition in excess of 25 percent of the acreage, the City concluded an agreement for the development of the property acquired and which provides recourse for the City should the development not be completed.

## **Subsection 2-22. Assessment Agreements**

Pursuant to *M.S., Section 469.177, Subd. 8*, the City may enter into a written assessment agreement in recordable form with the developer of property within the District which establishes a minimum market value of the land and completed improvements for the duration of the District. The assessment agreement shall be presented to the County Assessor who shall review the plans and specifications for the improvements to be constructed, review the market value previously assigned to the land upon which the improvements are to be constructed and, so long as the minimum market value contained in the assessment agreement appears, in the judgment of the assessor, to be a reasonable estimate, the County Assessor shall also certify the minimum market value agreement.

*There is anticipated to be minimum assessment agreement between the developer and the City of Shoreview. The detail will be include in Appendix G.*

## **Subsection 2-23. Administration of the District**

Administration of the District will be handled by the City Manager.

## **Subsection 2-24. Annual Disclosure Requirements**

Pursuant to *M.S., Section 469.175, Subds. 5, 6, and 6b* the City must undertake financial reporting for all tax increment financing districts to the Office of the State Auditor, County Board and County Auditor on or before August 1 of each year. *M.S., Section 469.175, Subd. 5* also provides that an annual statement shall be published in a newspaper of general circulation in the City on or before August 15.

If the City fails to make a disclosure or submit a report containing the information required by *M.S., Section 469.175 Subd. 5 and Subd. 6*, the OSA will direct the County Auditor to withhold the distribution of tax increment from the District.

## **Subsection 2-25. Reasonable Expectations**

As required by the TIF Act, in establishing the District, the determination has been made that the anticipated development would not reasonably be expected to occur solely through private investment within the reasonably

foreseeable future and that the increased market value of the site that could reasonably be expected to occur without the use of tax increment financing would be less than the increase in the market value estimated to result from the proposed development after subtracting the present value of the projected tax increments for the maximum duration of the District permitted by the TIF Plan. In making said determination, reliance has been placed upon written representation made by the developer to such effects and upon City staff awareness of the feasibility of developing the project site(s) within the District. A comparative analysis of estimated market values both with and without establishment of the District and the use of tax increments has been performed as described above. Such analysis is included with the cash flow in Appendix D, and indicates that the increase in estimated market value of the proposed development (less the indicated subtractions) exceeds the estimated market value of the site absent the establishment of the District and the use of tax increments.

### **Subsection 2-26. Other Limitations on the Use of Tax Increment**

1. General Limitations. All revenue derived from tax increment shall be used in accordance with the TIF Plan. The revenues shall be used to finance, or otherwise pay the capital and administration costs of Municipal Development District No. 2 pursuant to *M.S., Sections 469.124 to 469.134*. Tax increments may not be used to circumvent existing levy limit law. No tax increment may be used for the acquisition, construction, renovation, operation, or maintenance of a building to be used primarily and regularly for conducting the business of a municipality, county, school district, or any other local unit of government or the state or federal government. This provision does not prohibit the use of revenues derived from tax increments for the construction or renovation of a parking structure.
2. Pooling Limitations. At least 75 percent of tax increments from the District must be expended on activities in the District or to pay bonds, to the extent that the proceeds of the bonds were used to finance activities within said district or to pay, or secure payment of, debt service on credit enhanced bonds. Not more than 25 percent of said tax increments may be expended, through a development fund or otherwise, on activities outside of the District except to pay, or secure payment of, debt service on credit enhanced bonds. For purposes of applying this restriction, all administrative expenses must be treated as if they were solely for activities outside of the District.
3. Five Year Limitation on Commitment of Tax Increments. Tax increments derived from the District shall be deemed to have satisfied the 75 percent test set forth in paragraph (2) above only if the five year rule set forth in *M.S., Section 469.1763, Subd. 3*, has been satisfied; and beginning with the sixth year following certification of the District, 75 percent of said tax increments that remain after expenditures permitted under said five year rule must be used only to pay previously committed expenditures or credit enhanced bonds as more fully set forth in *M.S., Section 469.1763, Subd. 5*.

### **Subsection 2-27. Summary**

The City of Shoreview is establishing the District to preserve and enhance the tax base; to facilitate the demolition of an existing retail strip center; realign and reconstruct portions of Owasso Street, Victoria Street and County Road E; upgrade the railroad crossing and signalization; and construct a 104 unit- six story market rate luxury apartment building in the City. The TIF Plan for the District was prepared by Kirstin Barsness, Development Consultant, 24438 Imperial Court, Forest Lake, Minnesota 55025, telephone 651-408-1032. Reviewed by Robert Deike, attorney, Bradley & Deike, 4018 West 65<sup>th</sup> Street Suite 100, Edina, Minnesota 55435, telephone 952-926-5337.



# Appendix A

## Project Description

The proposed Tax Increment District No. 8 (the “District”) is to facilitate the demolition of an existing retail strip center; realign Owasso Street, Victoria Street and County Road E; upgrade the railroad crossing and signalization; and construct a 104 unit- six story market rate luxury apartment building in the City.

### Project Financing

In May 2009, Midland Terrace Apartments was the subject of a technical assistance panel through the Urban Land Institute sponsored by the Regional Council of Mayors. Through the process, the property owners with technical assistance from City and the City’s consulting Engineers, SEH, began discussions on the realignment of Owasso Street to a new building pad for a new market rate apartment building. The realignment requires the demolition of an existing strip center also held by the apartment owners.

Ramsey County needed to be involved with the road realignment discussions since it has jurisdiction over Victoria Street and County Road E. Realigning Owasso Street is the catalyst for a major road reconstruction project of the intersection of Owasso, Victoria and County Road E. Ramsey County limited its financial participation to approximately \$360,000 of the total \$2,550,000. The road project was not a part of its capital improvement program and but for the new apartment building, the County would not be considering any upgrade to Victoria or County Road E.

CP Rail was notified that road improvement would occur at its crossing on Victoria Street. In order for the Victoria road improvements to move forward, CP required that the City of Shoreview upgrade its crossing and signal for an additional \$350,000. The budget for the public improvements is currently estimated at \$2,900,000 including engineering and contingency costs. The reconstructed sections of Owasso, Victoria and County E will be included in the boundary of the TIF District. (see Appendix C for maps)

Adjacent uses to the project include a school, a fire station and sliver of Deluxe’s property which will need to be acquired for additional right-of-way. It is the City’s finding that the road project would not occur if the apartment building was not being constructed. Conversely, the apartment building cannot be built without the road improvement taking place. It is necessary to reconstruct Owasso Street prior to the apartment building construction in order to provide a building pad. Therefore, the road component of the overall project will commence in spring/summer of 2013, while the apartment building construction is scheduled for 2013.

Given the scope and cost of the road reconstruction is prohibitive for a single property to assume; coupled with the improvement of safety concerns in the area, the City of Shoreview elected to financially assist the project. Shoreview was successful in receiving a Livable Communities Demonstration Account Grant for \$655,000 to offset grant eligible costs.

The City will utilize an inter-fund loan from TIF District No. 1 to TIF District No. 8 in the amount of approximately \$1,100,000 to front a portion of the costs of the road reconstruction project. The developer has agreed to fund

\$1,000,000 in road costs through a 20 year improvement (assessment) bond. The entire inter-fund loan will be repaid to Tax Increment District No. 1 through new increment generated from TIF District No. 8. The tax

increment generated in TIF No. 8 will be divided between the City and the Developer. The City will receive 33% of the increment generated after District Administration and the Office of the State Auditor fee have been accounted. The remaining 67% will be distributed to the developer for payment on a \$2,000,000 pay-as-you-go note.

The developer has provided a list of TIF eligible activities in excess of \$2,783,000, including, but not limited to the demolition of strip center, site improvements, utilities, and parking facilities.

The Total Project cost is estimated to be approximately \$ 27,085,000. The proposed Source and Use is depicted below and is subject to change until the project is constructed. The table does not represent the interest accrued on the inter-fund loan:

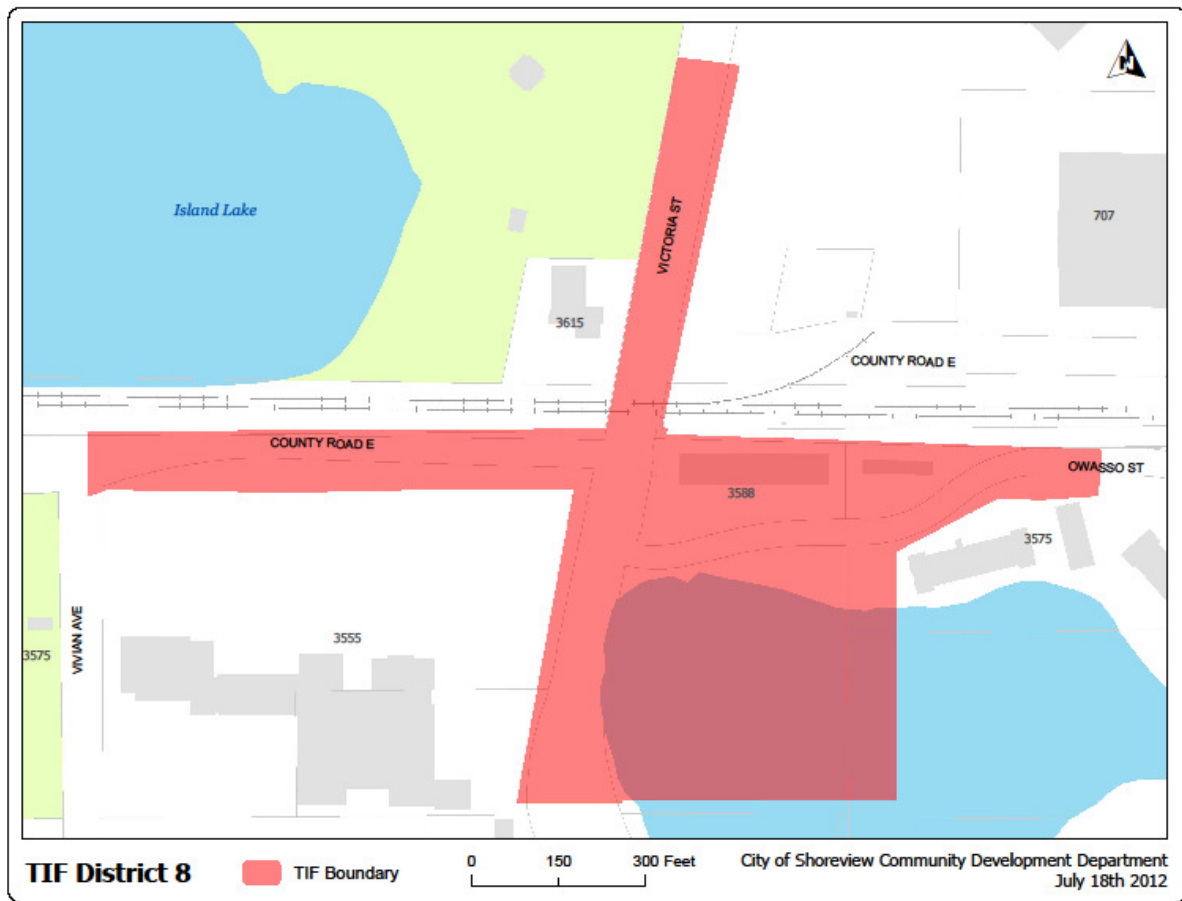
USE		SOURCE	
Land Acquisition	890,000	Equity*	10,500,000
Site Development	586,000	Conventional Loan*	12,170,000
Building Cost	18,809,000	Land Transfer*	890,000
Architectural/Engineering	665,000	LCDA Grant	655,000
Legal Fees	50,000	Ramsey Co.	360,000
Financing/Start-up Costs	575,000	Inter Fund TIF loan –City Share	1,100,000
Interest During Construction	760,000	Improvement Bond	1,000,000
Soft Costs	350,000		
Contingencies	1,500,000		
<b>Lakeview Terrace subtotal</b>	<b>24,185,000</b>		
Rail Road Crossing upgrade	350,000		
Road Reconstruction	2,550,000		
<b>TOTAL</b>	<b>\$ 27,085,000</b>		<b>\$ 27,085,000</b>

Note: All funding sources depicted with a \* are subject to change until project is constructed.



## Appendix B

Map of Tax Increment District No. 8 Lakeview Terrace



## Appendix C

### Description of Property to be Included in the District

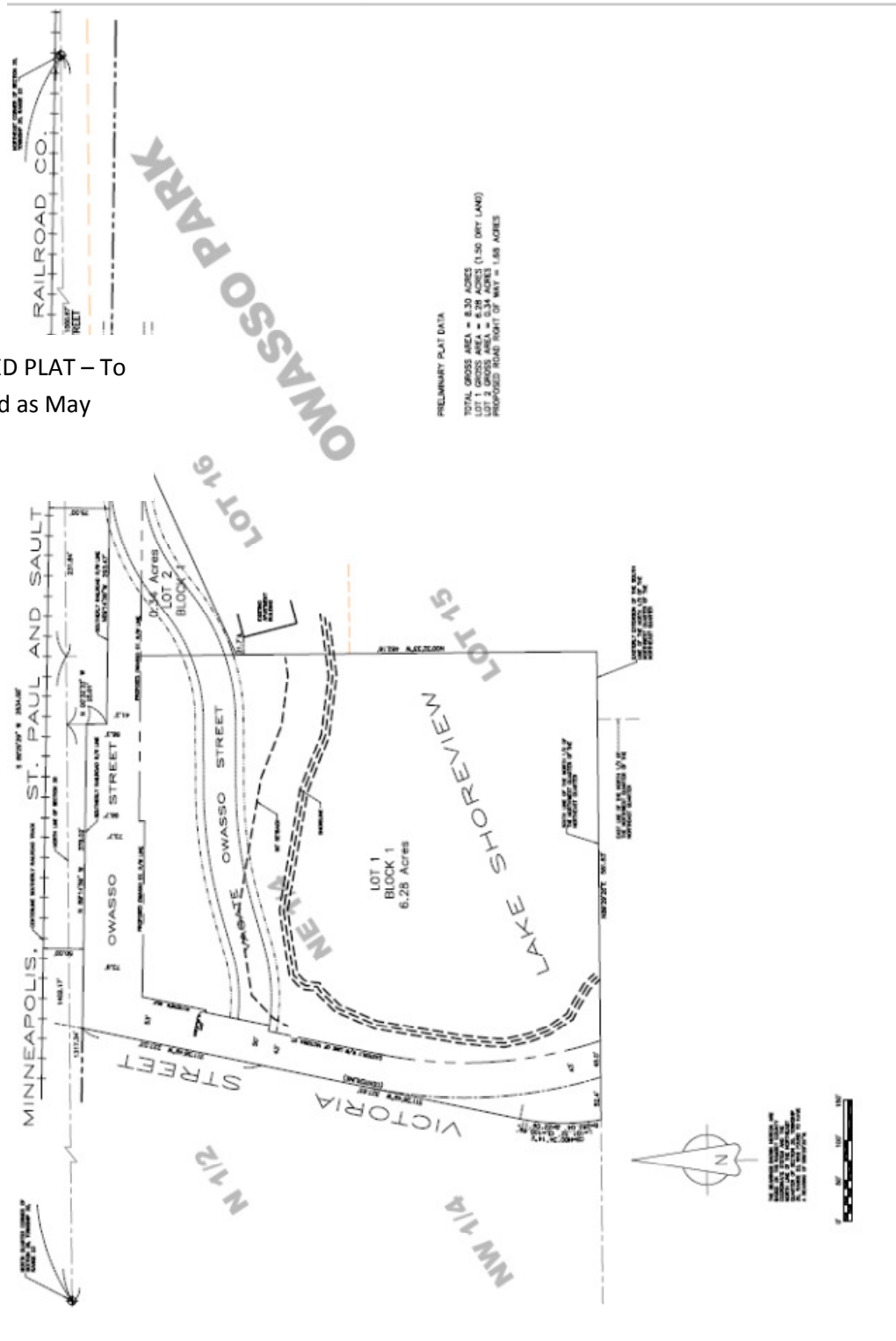
The District encompasses the following portions of property and adjacent rights-of-way and abutting roadways identified by the parcels listed below. The property will be platted at a later date. A copy of the proposed plat and parcel configuration is on page 32.

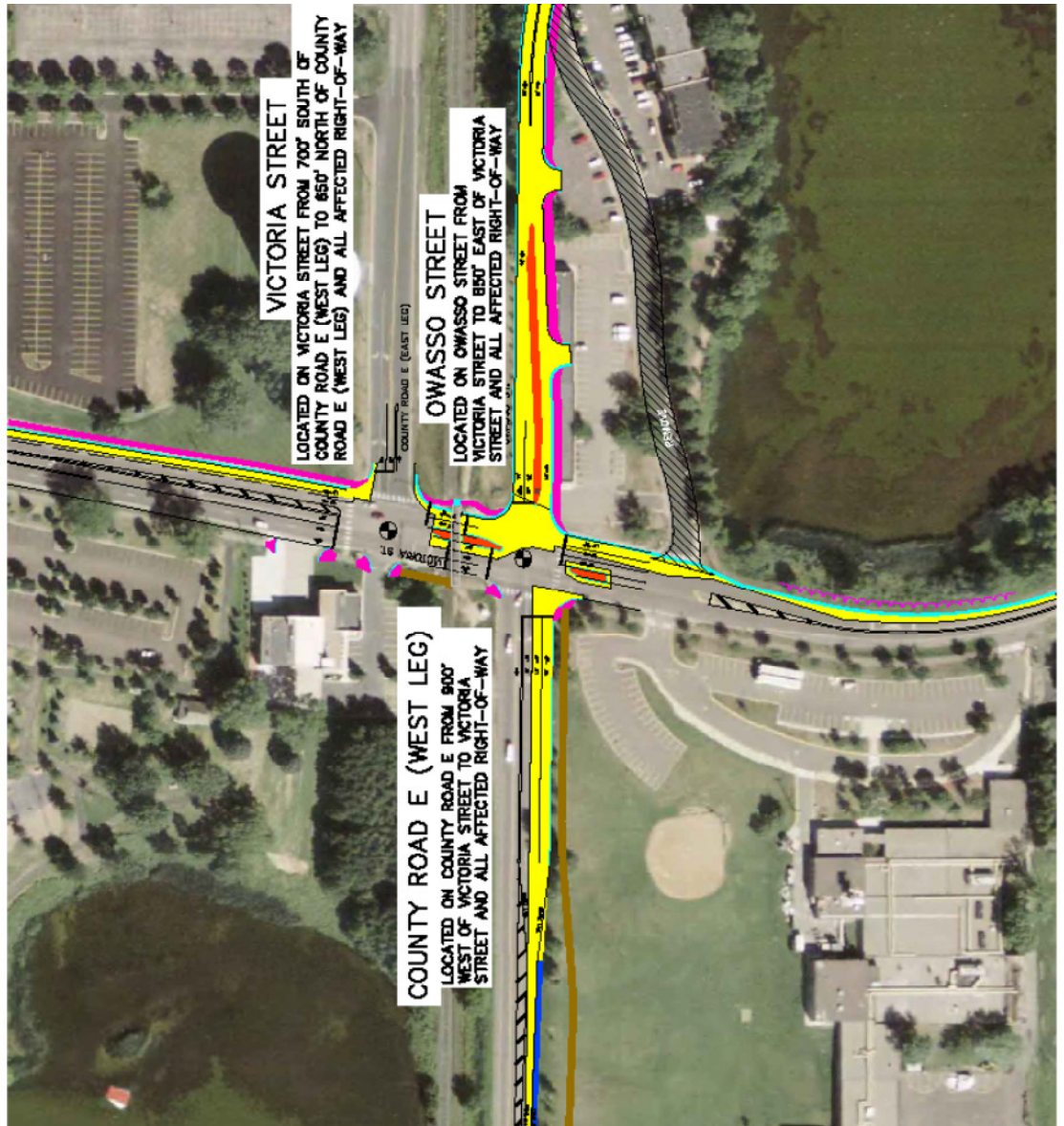
PARCEL NUMBERS	PERCENT IN TO BE IN DISTRICT	OWNER
35.30.23.12.0012	100%	Terrace Apartments Company
35.30.23.11.0023	25%	Terrace Apartments Company
35.30.23.12.0003	100%	Terrace Apartments Company
35.30.23.11.0022	8%	Terrace Apartments Company

The District will also encompass following portions of the road reconstruction (see map on page 33):

Owasso Street	Section located on Owasso Street from Victoria Street to 850 feet east of Victoria Street and all affected right-of way
Victoria Street	Section located on Victoria Street from 700 feet south of County Road E (west leg) to 650 feet north of County Road E (west leg) and all affected right-of-way
County Road E (West Leg)	Section located on County Road E from 900 feet west of Victoria Street to Victoria Street and all affected right-of-way

PROPOSED PLAT – To  
be platted as May  
2012





## Appendix D

# LAKEVIEW TERRACE APARTMENTS

## City of Shoreview

### Redevelopment Tax Increment District

#### T.I.F. CASH FLOW ASSUMPTIONS

District		New Redevelopment District	
Inflation Rate - Every _ Years		0.00%	
Interfund Loan Interest Rate:		2.75%	
Pay as you go interest rate:		5.50%	
Note Issued Date (Present Value Date):		01-Aug-14	
Local Tax Rate - Frozen		131.4740%	est Pay 2013
Fiscal Disparities Election (A - inside or B outside)		N/A	
Year District was certified		Pay 2012	
Assumes First Tax Increment For District		2015	
Years of Tax Increment		26	
Assumes Last Year of Tax Increment		2041	
Fiscal Disparities Ratio		N/A	
Fiscal Disparities Metro Wide Tax Rate		N/A	
Local Tax Rate - Current		131.4740%	
State Wide Property Tax Rate (Used for total taxes)		N/A	
Market Value Tax Rate (used for total taxes)		N/A	
Commercial Industrial Class Rate		1.5%-2.0%	
First 150,000		1.50%	
Over 150,000		2.00%	
Rental Class Rate		1.25%	Pay 2012
Residential Class Rate - Under \$500,000		1.00%	
Over \$500,000		1.25%	

BASE VALUE INFORMATION (Original Tax Capacity)									
PID	Land Market Value	Building Market Value	Percentage of value used for District	Total Original Market Value*	Tax Year Original Market Value	Property Tax Class Rate	Original Tax Capacity	Tax rate After Conversion	After Conversion Orig. Tax Cap.
35.30.23.12.001 \$	322,700.00 \$	569,400.00 \$	1.00	892,100.00	2012	Commercial	\$ 17,842.00	Rental	\$ 11,151.25
35.30.23.11.002 \$	319,000.00 \$	828,500.00 \$	0.25	319,000.00	2012	Rental	\$ 3,987.50	Rental	\$ 3,987.50
35.30.23.12.000 \$	87,600.00 \$	- \$	1.00	87,600.00	2012	Rental (vacant)	\$ 1,095.00	Rental	\$ 1,095.00
35.30.23.11.002 \$	8,100.00 \$	- \$	0.08	8,100.00	2012	Rental (vacant)	\$ 101.25	Rental	\$ 101.25
<b>Totals</b>				<b>\$ 1,306,800.00</b>			<b>\$ 23,025.75</b>		<b>\$ 16,335.00</b>

Note:

1. \*Base Value provided by Ramsey County Assessor's Office on April 23, 2012

PROJECT INFORMATION						
Use	Total Sq. Ft./Units	Est. Market Value Per Unit*	Total Estimated Market Value	Property Tax Class Rate	Project Tax Capacity	Percentage Completed 2014
Lakeview Terrace Apartment	104	115,000	11,960,000	Rental	149,500	100%
<b>TOTAL</b>						

Note:

1. \* Market Value is based on project provided by the Ramsey County Assessor's Office. Maybe revised when additional information on project construction is available.

TAX CALCULATIONS						
Use	Total Tax Capacity	Local Taxes	Fiscal Disparities Taxes	State-wide Property Taxes	Market Value Taxes	Total Taxes
Midland Terrace Apt.	149,500	178,615	0	0	0	178,615
<b>TOTAL</b>	<b>149,500</b>	<b>178,615</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>178,615</b>

Note:

1. Taxes and tax increment will vary significantly from year to year depending upon value, rates, state laws and other factors.

2. Development Program is located in School District #621

## LAKEVIEW TERRACE APARTMENTS

CITY OF SHOREVIEW  
REDEVELOPMENT TAX INCREMENT DISTRICT

I V	Captured Tax Capacity	Local Tax Rate	TAX INCREMENT CASH FLOW					City Portion of Tax Increment 1/3	City Semi-Annual Present Value	Developer Portion of Tax 2/3
			Annual Gross Tax Increment	Semi-Annual Gross Tax Increment	State Auditor 0.35%	Admin. at 10.00%	Semi-Annual Net Tax Increment			
23,026	0		0	0	0	0	0	0	0	0
23,026	0		0	0	0	0	0	0	0	0
23,026	0		0	0	0	0	0	0	0	0
16,335	133,165	1.314740%	175,077	87,539	315	8,722	78,501	25,905	23,867	52,596
16,335	133,913	1.314740%	176,060	87,539	315	8,722	78,501	25,905	\$47,411	52,596
16,335	133,913	1.314740%	176,060	88,030	317	8,771	78,942	26,051	70,766	52,891
16,335	134,664	1.314740%	177,048	88,030	317	8,771	78,942	26,051	\$93,804	52,891
16,335	134,664	1.314740%	177,048	88,524	319	8,821	79,385	26,197	\$116,657	53,188
16,335	135,177	1.314740%	178,040	88,524	319	8,821	79,385	26,197	\$139,200	53,188
16,335	135,177	1.314740%	178,040	89,020	320	8,870	79,830	26,344	\$182,650	53,486
16,335	136,177	1.314740%	179,038	89,020	320	8,870	79,830	26,344	\$183,620	53,486
16,335	136,940	1.314740%	180,041	89,519	322	8,920	80,277	26,491	\$205,501	53,786
16,335	136,940	1.314740%	180,041	90,020	324	8,970	80,727	26,640	\$227,086	54,087
16,335	137,706	1.314740%	181,048	90,020	324	8,970	80,727	26,640	\$248,497	54,380
16,335	138,477	1.314740%	182,061	90,524	326	9,020	81,178	26,789	\$269,617	54,684
16,335	138,477	1.314740%	182,061	90,524	326	9,020	81,178	26,789	\$311,235	54,999
16,335	139,251	1.314740%	183,078	91,030	328	9,070	81,632	26,939	\$331,735	55,307
16,335	139,251	1.314740%	183,078	91,030	328	9,070	81,632	26,939	\$351,957	55,607
16,335	140,029	1.314740%	184,101	91,539	330	9,121	82,089	27,089	\$372,017	55,907
16,335	140,029	1.314740%	184,101	91,539	330	9,121	82,089	27,089	\$391,804	56,209
16,335	140,810	1.314740%	185,129	92,051	331	9,172	82,547	27,241	\$411,432	56,506
16,335	140,810	1.314740%	185,129	92,051	331	9,172	82,547	27,241	\$430,794	56,807
16,335	141,596	1.314740%	186,162	92,565	315	9,225	83,004	27,398	\$448,957	57,109
16,335	141,596	1.314740%	186,162	92,565	315	9,225	83,004	27,398	\$467,906	57,412
16,335	142,386	1.314740%	187,200	93,081	317	9,276	83,488	27,551	\$486,702	57,715
16,335	142,386	1.314740%	187,200	93,081	317	9,276	83,488	27,551	\$505,243	58,019
16,335	143,179	1.314740%	188,244	93,600	319	9,328	83,953	27,705	\$523,635	58,324
16,335	143,179	1.314740%	188,244	93,600	319	9,328	83,953	27,705	\$541,778	58,629
16,335	143,977	1.314740%	189,292	94,122	320	9,380	84,421	27,859	\$559,774	58,934
16,335	143,977	1.314740%	189,292	94,646	322	9,432	84,892	28,014	\$577,526	59,239
16,335	144,779	1.314740%	190,346	94,646	324	9,485	85,364	28,170	\$595,774	59,544
16,335	144,779	1.314740%	190,346	95,173	324	9,485	85,364	28,170	\$612,504	59,849
16,335	145,584	1.314740%	191,405	95,703	326	9,538	85,839	28,327	\$629,734	60,154
16,335	145,584	1.314740%	191,405	95,703	326	9,538	85,839	28,327	\$646,968	60,459
16,335	146,394	1.314740%	192,470	96,235	328	9,591	86,316	28,484	\$664,202	60,764
16,335	146,394	1.314740%	192,470	96,235	328	9,591	86,316	28,484	\$681,436	61,069
16,335	147,207	1.314740%	193,539	96,770	330	9,644	86,796	28,643	\$712,987	61,374
16,335	147,207	1.314740%	193,539	96,770	330	9,644	86,796	28,643	\$729,127	61,679
16,335	148,025	1.314740%	194,615	97,307	331	9,698	87,278	28,802	\$745,049	61,984
16,335	148,025	1.314740%	194,615	97,307	331	9,698	87,278	28,802	\$760,842	62,289
16,335	148,847	1.314740%	195,695	97,847	331	9,753	87,779	28,967	\$779,421	62,594
16,335	148,847	1.314740%	195,695	97,847	331	9,753	87,779	28,967	\$796,176	62,899
16,335	149,673	1.314740%	196,781	98,390	331	9,807	88,266	29,128	\$807,122	63,204
16,335	149,673	1.314740%	196,781	98,390	331	9,807	88,266	29,128	\$822,245	63,509
16,335	150,503	1.314740%	197,872	98,936	319	9,862	88,756	29,289	\$836,542	63,814
16,335	150,503	1.314740%	197,872	98,936	319	9,862	88,756	29,289	\$853,776	64,119
16,335	151,337	1.314740%	198,969	99,484	320	9,916	89,248	29,452	\$869,555	64,424
16,335	151,337	1.314740%	198,969	99,484	320	9,916	89,248	29,452	\$881,033	64,729
16,335	152,175	1.314740%	200,071	100,036	322	9,971	89,742	29,615	\$895,314	65,034
16,335	152,175	1.314740%	200,071	100,036	322	9,971	89,742	29,615	\$909,480	65,339
16,335	153,018	1.314740%	201,179	100,589	324	10,027	90,239	29,779	\$923,454	65,644
16,335	153,018	1.314740%	201,179	100,589	324	10,027	90,239	29,779	\$937,314	65,949
16,335	153,018	1.314740%	201,179	100,589	324	10,027	90,239	29,779	\$950,987	66,254
			4,884,762	2,442,381	16,763	465,780	4,376,496	1,444,244	2,832,252	2,832,252
			3,216,628	1,608,314	11,128	2,881,779	2,881,779	950,987	950,987	950,987

## Appendix E

### Findings Including But/For Qualifications

The reasons and facts supporting the findings for the adoption of the Tax Increment Financing Plan for Tax Increment Financing District No. 8 as required pursuant to *M.S., Section 469.175, Subd. 3* are as follows:

1. *Finding that the Tax Increment Financing District No. 8 is redevelopment district as defined in M.S., Section 469.174, Subd. 10.* Tax Increment Financing District No. 8 is a contiguous geographic area within the City's Municipal Development District No. 2, delineated in the TIF Plan, for the purpose of financing redevelopment in the City through the use of tax increment. The District is in the public interest because it will facilitate the demolition of an existing retail strip center; realign Owasso Street, Victoria Street and County Road E; upgrade the railroad crossing and signalization; and construct a 104 unit- six story market rate luxury apartment building in the City of Shoreview. Additionally, it will increase construction employment in the state, and preserve and enhance the tax base of the state.
2. *Finding that the proposed development, in the opinion of the City Council, would not reasonably be expected to occur solely through private investment within the reasonably foreseeable future and that the increased market value of the site that could reasonably be expected to occur without the use of tax increment financing would be less than the increase in the market value estimated to result from the proposed development after subtracting the present value of the projected tax increments for the maximum duration of Tax Increment Financing District No. 8 permitted by the TIF Plan.*

*The proposed development, in the opinion of the City, would not reasonably be expected to occur solely through private investment within the reasonably foreseeable future:* It is the City's finding that the road project would not occur if the apartment building was not being constructed. Conversely, the apartment building cannot be built without the road improvement taking place. It is necessary to reconstruct Owasso Street prior to the apartment building construction in order to provide a building pad. The \$2.9 million road reconstruction is prohibitive for one developer to assume. The City, without tax increment assistance, would not have the resources to make the required public improvements as prescribed by Ramsey County and CP Rail.

*The increased market value of the site that could reasonably be expected to occur without the use of tax increment financing would be less than the increase in market value estimated to result from the proposed development after subtracting the present value of the projected tax increments for the maximum duration of the TIF District permitted by the TIF Plan:* The City supported this finding on the grounds that the approximate cost of \$2.9 million in public improvements (road reconstruction and realignment of Owasso Street, Victoria Street and County Road E) and the improvements required to by CP Rail for their crossing add to the total development, making the proposed development not economically feasible if paid completely by the developer. The City reasonably determines that no other development of similar scope is anticipated on this site without substantially similar assistance being provided to the development.



Therefore, the City concludes as follows:

- a. The City's estimate of the amount by which the market value of the entire District will increase without the use of tax increment financing is \$0.
- b. If the proposed development occurs, the total increase in market value will be \$10,653,200 (see Appendix D and E of the TIF Plan)
- c. The present value of tax increments from the District for the maximum duration of the district permitted by the TIF Plan is estimated to be \$2,880,000(see Appendix D and E of the TIF Plan).
- d. Even if some development other than the proposed development were to occur, the Council finds that no alternative would occur that would produce a market value increase greater than \$7,773,200 (the amount in clause b less the amount in clause c) without tax increment assistance.

But-For Analysis	
Current Market Value	1,306,800
New Market Value - Estimate	11,960,000
Difference	10,653,200
Present Value of Tax Increment	2,880,000
Difference	7,773,200
<b>Value Likely to Occur without TIF is less than</b>	<b>\$7,773,200</b>

3. *Finding that the TIF Plan for Tax Increment Financing District No. 8 conforms to the general plan for the development or redevelopment of the municipality as a whole.*

The Planning Commission reviewed the TIF Plan and found that the TIF Plan conforms to the general development plan of the City.

4. *Finding that the Tax Increment Financing Plan for Tax Increment Financing District No. 8 will afford maximum opportunity, consistent with the sound needs of the City as a whole, for the development of Municipal Development District No. 2 by private enterprise.*

The project to be assisted by the District will result in increased employment in the City and the State of Minnesota, increased tax base of the State, and add a high quality development to the City.



## **Appendix F**

### **TIF Blight Report**

**Prepared by**

**LHB**

**APPENDIX G**  
**MINIMUM ASSESSMENT AGREEMENT**

1/4/13

## **DEVELOPMENT AGREEMENT**

**By and Between**

**THE CITY OF SHOREVIEW**

**and**

**LAKEVIEW TERRACE, LLC**

Dated as of: \_\_\_\_\_, 2013

This document was drafted by:

BRADLEY & DEIKE, P. A.  
4018 West 65<sup>th</sup> Street, Suite 100  
Edina, MN 55435  
Telephone: (962) 926-5337

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## **DEVELOPMENT AGREEMENT**

**THIS AGREEMENT**, made on or as of the \_\_\_\_\_ day of \_\_\_\_\_, 2013, by and between the City of Shoreview, a statutory city under the laws of the State of Minnesota (hereinafter referred to as the "City"), and having its principal office at City Hall, 4600 North Victoria Street, Shoreview, Minnesota 55126, and Lakeview Terrace, LLC, a Minnesota limited liability company (hereinafter referred to as the "Developer"), having its principal office at \_\_\_\_\_

### **WITNESSETH:**

**WHEREAS**, The City is a municipal corporation organized and existing pursuant to the Constitution and laws of the State of Minnesota and is governed by the Council of the City (the "Council"); and

**WHEREAS**, the City has established within the City its Municipal Development District No. 2 pursuant to Minnesota Statutes, Sections 469.124 - 469.134, providing for the development and redevelopment of certain areas located within the City (which development district is hereinafter referred to as the "Project"); and

**WHEREAS**, the City has further established its Tax Increment Financing District No. 8 within the Project pursuant to Minnesota Statutes, Sections 469.174-469.1799 (which tax increment financing district is hereinafter referred to as the "Tax Increment District"); and

**WHEREAS**, the Tax Increment District is a redevelopment tax increment financing district created pursuant to Minnesota Statutes, Section 469.176, subd. 10; and

**WHEREAS**, pursuant to Minnesota Statutes, Section 469.176, subdivision 4, tax increment derived from the Tax Increment District may be used in accordance with the tax increment financing plan created in connection with the establishment of the Tax Increment District to pay the capital and administration costs of the Project; and

**WHEREAS**, the Developer is the owner of certain real property located within the Tax Increment District (which real property is hereinafter referred to as the "Property" and is more particularly described in Schedule A annexed hereto and made a part hereof); and

**WHEREAS**, the Developer has presented to the City a proposal under which the Developer would construct on the Property approximately 104 units of residential rental housing and related improvements; and

**WHEREAS**, the Developer has as part of its proposal requested that the City use tax increment generated from the Tax Increment District to provide certain financial assistance to aid in its development, without which assistance such development would not be feasible; and

**WHEREAS**, City believes that the redevelopment of the Property and the provision of the housing as proposed by the Developer is in the best interest of the City and its residents and in

accord with the public purposes and provisions of applicable federal, state and local laws under which the Project is being undertaken and assisted;

**NOW THEREFORE**, in consideration of the premises and the mutual obligations of the parties hereto, each of them does hereby covenant and agree with the other as follows:



## ARTICLE I

### Definitions

**Section 1.1. Definitions.** In this Agreement, unless a different meaning clearly appears from the context:

"Act" means Minnesota Statutes, Sections 469.124-469.134, as amended.

"Agreement" means this Agreement, as the same may be from time to time modified, amended, or supplemented.

"Assessment Agreement" means the agreement, in the form of the agreement contained in Schedule F attached to and made a part of this Agreement, among the Developer, the City, and the county assessor of the County, to be entered into pursuant to Section 6.3 of this Agreement.

"Assessments" means the special assessments levied or to be levied against the Property as described in Section 4.4 of this Agreement.

"Available Tax Increment" means with respect to each Scheduled Payment Date under the Note the Tax Increment received by the City in the six (6) month period preceding the Scheduled Payment Date but only after deducting: (i) first, ten percent (10%) of the Tax Increment to be retained by the City for administrative costs; and (ii) second, the amount set forth on the payment schedule attached as Schedule D to this Agreement to be applied to the payment of the City Loan. After the City Loan is paid in full, "Available Tax Increment" shall mean ninety percent (90%) of the Tax Increment.

"City" means the City of Shoreview, or its successors or assigns.

"City Loan" means the loan in the approximate amount of \$1,087,000, together with interest thereon at the rate of two and three quarters percent (2.75%) per year, from the City's Tax Increment District No. 1 to the Tax Increment District the proceeds of which will be used by the City to pay a portion of the cost of constructing the Public Improvements.

"Construction Plans" means the site plan, utility plan, grading and drainage plan, landscape plan, elevations drawings, materials list and related documents on the construction work to be performed by the Developer on the Property which have been submitted to and approved by the City Council of the City, together with any conditions imposed by the City Council in connection with its approval.

"County" means Ramsey County, Minnesota.

"Developer" means Lakeview Terrace, LLC, a Minnesota limited liability company, its permitted successors and assigns.

“Developer Public Improvements” means the portion of the Public Improvements being constructed solely as a result of the Developer’s construction of the Improvements as described in Section 4.4 of this Agreement.

"Event of Default" means an action by the Developer listed in Article IX of this Agreement.

"Improvements" means the improvements to be constructed by the Developer on the Property, consisting of approximately one hundred and four (104) units of residential rental housing in a six story building and related improvements in accordance with the approved Construction Plans.

“Note” means the Taxable Limited Revenue Tax Increment Note to be issued by the City pursuant to Section 3.3 of this Agreement, which Note shall be substantially in the form of the Note attached to this Agreement as Schedule B.

"Project" means the City's Municipal Development District No. 2.

"Project Area" means the real property located within the boundaries of the Project.

"Project Plan" means the plan and development program adopted in connection with creation of the Project.

“Property” means the real property described as such on the attached Schedule A.

“Public Improvements” means the street and utility improvements to be undertaken by the City as described in Section 4.4 of this Agreement.

“Reimbursable Costs” means the portion of the costs to be incurred by the Developer in constructing the Improvements to be reimbursed by the City through the issuance and payment of the Note as described in Article III of this Agreement, which costs are described on Schedule C to this Agreement.

"State" means the State of Minnesota.

"Tax Increment" means that portion of the real property taxes paid with respect to the Property and Improvements that is remitted to and actually received by the City as tax increment pursuant to the Tax Increment Act.

"Tax Increment Act" means the Tax Increment Financing Act, Minnesota Statutes, Sections 469.174-469.1799, as amended and as it may be further amended from time to time.

"Tax Increment District" means the Tax Increment Financing District No. 8 created by the City within the Project Area.

"Tax Increment Plan" means the tax increment financing plan adopted by the City in connection with its creation of the Tax Increment District, which plan together with the information and findings contained therein is hereby incorporated herein and made a part hereof by reference.

"Termination Date" means the earlier of: (a) the date that the Tax Increment District terminates, which by law will be twenty six (26) years after the date that the City receives the first Tax Increment from the Tax Increment District; or (b) the date that the City's payment obligations under the Note have been satisfied or terminated pursuant to this Agreement and the Note.

"Unavoidable Delays" means delays which are the direct result of acts of God, unforeseen adverse weather conditions, strikes, other labor troubles, fire or other casualty to the Improvements, litigation commenced by third parties which, by injunction or other similar judicial action, directly results in delays, or acts of any federal, state or local governmental unit, and which directly results in delays.

## ARTICLE II

### **Representations**

Section 2.1. Representations by the City. The City makes the following representations as the basis for the undertaking on its part herein contained:

(a) The City is a statutory city under the laws of the State. Under the laws of the State, the City has the power to enter into this Agreement and to perform its obligations hereunder.

(b) The City has received no notice or communication from any local, state or federal official that the activities of the Developer or the City in the Project Area may be or will be in violation of any environmental law or regulation. The City is aware of no facts the existence of which would cause it to be in violation of any local, state or federal environmental law, regulation or review procedure.

Section 2.2. Representations by the Developer. The Developer represents that:

(a) The Developer is a Minnesota limited liability company duly organized and authorized to transact business in the State, is not in violation of any provisions of its articles of organization or member control agreement or the laws of the State, has power to enter into this Agreement and has duly authorized the execution, delivery and performance of this Agreement by proper action of its members.

(b) The Developer will construct the Improvements in accordance with the terms of this Agreement and all local, state and federal laws and regulations (including, but not limited to, environmental, zoning, building code and public health laws and regulations), except for variances necessary to construct the improvements contemplated in the Construction Plans approved by the City.

(c) The Developer has received no notice or communication from any local, state or federal official that the activities of the Developer or the City in the Project Area may be or will be in violation of any environmental law or regulation. The Developer is aware of no facts the existence of which would cause it to be in violation of any local, state or federal environmental law, regulation or review procedure. In the event that it is necessary to take any action to obtain any necessary permits or approvals with respect to the Property under any local, state or federal environmental law or regulation, the Developer will be responsible for taking such action.

(d) The Developer will obtain, in a timely manner, all required permits, licenses and approvals, and will meet, in a timely manner, all requirements of all applicable local, state and federal laws and regulations which must be obtained or met before the Improvements may be lawfully constructed.

(e) Neither the execution and delivery of this Agreement, the consummation of the transactions contemplated hereby, nor the fulfillment of or compliance with the terms and conditions of this Agreement is prevented, limited by or conflicts with or results in a breach of,

the terms, conditions or provisions of any restriction or any evidences of indebtedness, agreement or instrument of whatever nature to which the Developer is now a party or by which it is bound, or constitutes a default under any of the foregoing.

(f) The Developer would not construct the Improvements without the City's provision of the financial assistance contemplated by this Agreement.

## ARTICLE III

### **Development Proposal; Issuance of Note**

Section 3.1. Development Proposal. The Developer owns the Property. The Developer has proposed to undertake site work on the Property to prepare the Property for the construction of the Improvements and to construct the Improvements. The Developer has demonstrated to the City that current lending requirements, the cost of demolishing the improvements currently located on the Property and the cost of installing public improvements to serve the Property and Improvements renders development of the Improvements infeasible without financial assistance. Therefore, the City has agreed to construct certain road and utility improvements made necessary due to the proposed construction of the Improvements and to offset a portion of the cost of construction of the Improvements and related improvements using a portion of the Tax Increment generated from the Improvements on a pay as you go basis through the issuance and payment of the Note.

Section 3.2. Reimbursable Costs. (a) The City agrees that it will reimburse the Developer for its payment of certain costs of developing the Improvements. Such costs are referred to herein as the "Reimbursable Costs" and are described on the attached Schedule C. The City's reimbursement of the Developer shall be accomplished through the City's issuance and payment of the Note. The principal amount of the Reimbursable Costs to be reimbursed by the City through the issuance of the Note shall be \$2,000,000.00, subject to the Developer's documentation of such costs.

(b) The Developer shall be solely responsible for initial payment of the Reimbursable Costs and all construction work related thereto. The City's sole obligation in such regard shall be to issue the Note at the time stated in this Agreement and to pay the Note in accordance with its terms. The City agrees that it will issue the Note if the Developer provides to the City invoices and certifications in such form as the City may reasonably require, demonstrating that the Improvements have been completed, that the Developer has paid the Reimbursable Costs, and that the Reimbursable Costs equal or exceed \$2,000,000.00, or if the Reimbursable Costs are less than \$2,000,000.00, then the amount of the Reimbursable Costs that have been incurred, which amount shall be the principal amount of the Note. The Note will be issued at such time as the conditions precedent set forth in Section 3.4 have been satisfied.

Section 3.3. Issuance of Note. The City's reimbursement of the Developer for the Reimbursable Costs shall be through the issuance of the Note which shall occur at the time stated in Section 3.2 of this Agreement. The Note shall be substantially in the form of the Note attached to this Agreement as Schedule B, with all blanks properly filled in. The Note shall be dated as of the date of its issuance and shall be payable together with simple non-compounding interest at the rate of five and one half percent (5.5%) per year from the date of the issuance of the Note until the Note is paid in full or terminated.

Section 3.4. Conditions Precedent to Issuance of Note. Notwithstanding anything to the contrary contained herein, the City's obligation to issue the Note shall be subject to satisfaction, or waiver in writing by the City, of all of the following conditions precedent:

- (a) the Developer shall not be in default under the terms of this Agreement;
- (b) the Developer shall have provided to the City the certifications, invoices and evidence specified in Section 3.2; and
- (c) the Developer shall have completed construction of the Improvements.

Section 3.5. City Costs. The Developer has deposited with the City the sum of \$7,500. The City will draw upon such deposit to pay its legal and consulting fees associated with the creation of the Tax Increment District and the negotiation and preparation of this Agreement, and related documents. To the extent that such costs exceed \$7,500 the Developer will pay to the City the amount of such excess costs within ten (10) days after demand by the City.

## ARTICLE IV

### **Construction of Improvements; Public Improvements**

Section 4.1. Construction of Improvements. The Developer agrees that it will construct the Improvements on the Property in accordance with the approved Construction Plans and at all times prior to the Termination Date will operate the Improvements as a residential rental housing facility and will maintain, preserve and keep the Improvements or cause the Improvements to be maintained, preserved and kept with the appurtenances and every part and parcel thereof, in good repair and condition.

Section 4.2. Construction Plans. (a) Previously, the Developer submitted and the City approved Construction Plans for the Improvements. Said approval constitutes a conclusive determination that the Construction Plans (and the Improvements, if constructed in accordance with said plans) comply to the City's satisfaction with the provisions of this Agreement relating thereto.

(b) If the Developer desires to make any material change or changes in any Construction Plans after their approval by the City, the Developer shall submit the proposed change or changes to the City for its approval. For purposes of this Agreement, a "material change" shall mean a change that alters the quality of materials used in constructing the Improvements, the exterior appearance of the Improvements, the market value upon completion of the Improvements or the general nature of the Improvements. If the Construction Plans, as modified by the proposed change or changes, are acceptable to the City, the City shall approve the proposed change or changes and notify the Developer in writing of its approval. Any requested change or changes in the Construction Plans shall, in any event, be deemed approved by the City unless rejected, in whole or in part, by written notice by the City to the Developer, setting forth in detail the reasons therefor. Such rejection shall be made within ten (10) days after receipt of the notice of such change or changes.

(c) Nothing in this Agreement shall be deemed to excuse the Developer from complying with the City's normal zoning and construction permitting process as it relates to the development of the Improvements.

Section 4.3. Commencement and Completion of Construction. (a) Subject to Unavoidable Delays, the Developer shall commence construction of the Improvements by September 1, 2013, and shall complete the construction of the Improvements by September 1, 2014. All work with respect to the Improvements to be constructed or provided by the Developer on the Property shall be in conformity with the Construction Plans as submitted by the Developer and approved by the City as well as any changes to the Construction Plans approved by the City in accordance with Section 4.2(b) of this Article IV.

(b) Until construction of the Improvements has been completed the Developer shall make construction progress reports, at such times as may reasonably be requested by the City, but not more than once a month, as to the actual progress of the Developer with respect to such construction.



Section 4.4. Public Improvements. (a) Construction of the Improvements will require substantial upgrading of certain adjacent and nearby roadways that will serve the Property and Improvements. Such construction work is described on Schedule E to this Agreement and is referred to in this Agreement as the “Public Improvements”. The City agrees that it will, subject to Unavoidable Delays, construct or cause to be constructed the Public Improvements in accordance with the construction schedule contained on Schedule E to this Agreement. The Public Improvements will be constructed in accordance with City and County standards for such work.

(b) The cost of the Public Improvements is currently estimated to be \$2,987,000. The City intends to finance such cost using the following sources of funds:

- (i) \$360,000 in funds contributed by the County;
- (ii) \$540,000 in Livable Communities Demonstration Account grant funds made available by the Metropolitan Council (the “LCDA Grant”);
- (iii) \$1,087,000 in a loan made by the City from its Tax Increment District No. 1, which loan is the City Loan and is intended to be repaid from a portion of the Tax Increment generated from the Property and completed Improvements; and
- (iv) \$1,000,000 in net proceeds of special assessment bonds to be issued by the City to finance the Developer Public Improvements as described below.

The \$2,987,000 of Public Improvements costs is a current estimate only. The actual cost of the Public Improvements will be determined when all costs are known. To the extent that the actual cost of the Public Improvements exceeds \$2,987,000, 100% of the excess costs will be added to the amount described in (iv) above. Before the City commences construction of the Public Improvements or Developer Public Improvements, the City will provide to the Developer updated costs of the Public Improvements and Developer Public Improvements based on bids obtained by the City. If the updated costs exceed \$2,987,999 by ten percent (10%) or more, the Developer shall have the right to terminate this Agreement by giving written notice of termination to the City within five (5) days of its receipt of the updated cost figures. If the Developer fails to give such notice of termination within said time period the Developer’s right to terminate this Agreement due to excess costs shall terminate. If the actual costs of the Public Improvements or Developer Public Improvements are more than the updated cost figures due to unforeseen conditions or causes the excess costs will be the sole obligation of the City.

The Developer acknowledges that the City’s construction of the Public Improvements will be undertaken in reliance on the Developer’s agreement that it will construct the Improvements. If the Developer fails to construct the Improvements, the LCDA Grant will be immediately repayable by the City to the Metropolitan Council. Also, a failure by the Developer to construct the Improvements will result in no Tax Increment being generated to be used to repay the \$1,087,000 loan described in (iii) above. Therefore, in order to induce the City to undertake the construction of the Public Improvements the Developer agrees that prior to and as a condition to the City’s commencement of the Public Improvements the Developer will provide to the City an irrevocable bank letter of credit in the amount of \$1,627,000 available to be drawn upon by the

City to repay \$1,627,000 of the costs of the Public Improvements in the event that the Developer fails to construct the Improvements in accordance with the terms of this Agreement. The letter of credit shall be in a form, contain terms, and from a financial institution, all acceptable to the City, in its sole discretion. The letter of credit will be released upon completion of construction of the Improvements.

(c) A portion of the Public Improvements, the Developer Public Improvements, is being constructed only because such improvements are necessary to enable the development and operation of the Improvements and only benefit the Property. As is the case with the Public Improvements, the City would not undertake construction of the Developer Public Improvements if the Developer had not agreed to construct the Improvements. Therefore, if the Developer fails to construct the Improvements, for any reason, in accordance with the terms of this Agreement, the Developer shall be obligated to pay to the City the cost of the Developer Public Improvements. The Developer Public Improvements are described on Schedule E and the cost of the Developer Public Improvements is currently estimated to be \$1,000,000.00 but is subject to adjustment as described in (b) above. If the Developer fails to commence or complete construction of the Improvements by the times stated in this Agreement, the City shall be entitled to demand that the Developer pay to the City all costs incurred by the City in constructing the Developer Public Improvements and such costs shall be due and payable within thirty (30) days after demand by the City.

(d) The City intends to pay the cost of constructing the Developer Public Improvements using the net proceeds of special assessment bonds issued by the City. The principal amount of such bonds will equal the cost of constructing the Developer Public Improvements plus the costs of issuing the bonds including capitalized interest, if applicable. If the Developer constructs the Improvements, the Developer will be required to repay to the City the cost of the Developer Public Improvements but may do so over a period of time. In order to secure the Developer's obligation to pay to the City the cost of the Developer Public Improvements, the City shall be entitled at any time to assess the cost thereof as special assessments against the Property (the "Assessments") having the same effect as a special assessment described in Minnesota Statutes, Chapter 429. At least ten (10) days prior to issuing the bonds and levying the Assessments, the City shall provide the Developer the option of paying the cost of the Developer Public Improvements. The principal amount of the Assessments shall equal the principal amount of the City's bonds issued to finance the construction of the Developer Public Improvements. The Assessments shall be payable over a twenty (20) year period. The principal amount of the Assessments shall accrue interest at the rate of one half percent (.50%) in excess of the average interest rate on the bonds issued by the City to finance the Developer Public Improvements. The Assessments may be prepaid, in whole but not in part, at any time by the Developer; provided, that the Developer shall also pay to the City a prepayment premium equal to the difference between the interest payable on the City's bonds issued to finance the Developer Public Improvements and the rate of interest the City will be able to earn on funds paid to the City by the Developer to prepay the Assessments, as reasonably determined by the City's finance director and fiscal advisors.

The Developer intends that this Agreement constitutes a petition within the meaning of Minnesota Statutes, section 429.031, subd. 3. The Developer hereby waives any and all rights it

may have to challenge or contest the legality or validity of the assessments, or the amount thereof, on any grounds, including, without limitation, statutory, procedural, or constitutional grounds. Without limiting the foregoing, the Developer waives any argument that not all of the properties that may be benefited by the Developer Public Improvements will be assessed. If the City constructs the Developer Public Improvements such construction will be done in express reliance on the Developer's agreements contained herein. If the Developer fails to construct the Improvements and fails to repay the City for the costs of constructing the Developer Public Improvements as required in (c) above, the City may also assess the cost of the Developer Public Improvements against the Property but the full amount of the Assessments shall be payable with the property taxes due in the calendar year following the assessment of the costs. If requested by the City the Developer will enter into a formal petition petitioning the City to undertake the Developer Public Improvements and agreeing to the Assessments and will cause any other party whose consent is necessary to make the Assessments a first lien on the Property to execute the petition.

## ARTICLE V

### **Insurance and Condemnation**

#### Section 5.1. Insurance.

(a) The Developer will provide and maintain or cause to be provided and maintained at all times during the process of constructing the Improvements and, from time to time at the request of the City, furnish the City with proof of payment of premiums on:

(i) Builder's risk insurance, written on the so-called "Builder's Risk -- Completed Value Basis," in an amount equal to one hundred percent (100%) of the insurable value of the Improvements at the date of completion, and with coverage available in nonreporting form on the so called "all risk" form of policy.

(ii) General liability insurance (including operations, contingent liability, operations of subcontractors, completed operations, Broadening Endorsement including contractual liability insurance) together with an Owner's Contractor's Policy with limits against bodily injury and property damage of not less than \$2,000,000 for each occurrence (to accomplish the above-required limits, an umbrella excess liability policy may be used); and

(iii) Worker's compensation insurance, with statutory coverage and employer's liability protection.

The policies of insurance required pursuant to clauses (i) and (ii) above shall be in form and content satisfactory to the City and shall be placed with financially sound and reputable insurers licensed to transact business in the State, the liability insurer to be rated A or better in Best's Insurance Guide, shall name the City as an additional insured, and shall contain an agreement of the insurer to give not less than thirty (30) days' advance written notice to the City in the event of cancellation of such policy or change affecting the coverage thereunder.

(b) Upon completion of construction of the Improvements and prior to the Termination Date, the Developer shall maintain, or cause to be maintained, at its cost and expense, and from time to time at the request of the City shall furnish proof of the payment of premiums on, insurance as follows:

(i) Insurance against loss and/or damage to the Improvements under a policy or policies covering such risks as are ordinarily insured against by similar businesses, including (without limiting the generality of the foregoing) fire, extended coverage, all risk vandalism and malicious mischief, boiler explosion, water damage, demolition cost, debris removal, and collapse in an amount not less than the full insurable replacement value of the Improvements, but any such policy may have a deductible amount of not more than \$150,000. No policy of insurance shall be so written that the proceeds thereof will produce less than the minimum coverage required by the preceding sentence, by reason of co-insurance provisions or otherwise, without the prior consent thereto in writing by the City.

The term "full insurable replacement value" shall mean the actual replacement cost of the Improvements (excluding foundation and excavation costs and costs of underground flues, pipes, drains and other uninsurable items) and equipment, and shall be determined from time to time at the request of the City, but not more frequently than once every three years, by an insurance consultant or insurer, selected and paid for by the Developer and approved by the City.

(ii) Comprehensive general public liability insurance, including personal injury liability (with employee exclusion deleted), and automobile insurance, including owned, non-owned and hired automobiles, against liability for injuries to persons and/or property, in the minimum amount for each occurrence and for each year of \$2,000,000.00.

(iii) Such other insurance, including worker's compensation insurance respecting all employees of the Developer, in such amount as is customarily carried by like organizations engaged in like activities of comparable size and liability exposure; provided that the Developer may be self-insured with respect to all or any part of its liability for worker's compensation.

(c) All insurance required in Article V of this Agreement shall be taken out and maintained in responsible insurance companies selected by the Developer which are authorized under the laws of the State to assume the risks covered thereby. The policies of insurance required in (a)(ii) and (b)(ii) above shall name the City as an additional named insured.

(d) The Developer agrees to notify the City immediately in the case of damage exceeding \$150,000 in amount to, or destruction of, the Improvements or any portion thereof resulting from fire or other casualty. In the event of any such damage, the Developer will forthwith repair, reconstruct and restore the Improvements to substantially the same or an improved condition or value as existed prior to the event causing such damage and, to the extent necessary to accomplish such repair, reconstruction and restoration, the Developer will apply the proceeds of any insurance relating to such damage received by the Developer to the payment or reimbursement of the costs thereof.

Subject to the approval of Developer's lender, the Developer shall complete the repair, reconstruction and restoration of the Improvements, whether or not the Net Proceeds of insurance received by the Developer for such purposes are sufficient to pay for the same. Any proceeds remaining after completion of such repairs, construction and restoration shall be remitted to the Developer.

(e) If the Developer defaults with respect to its obligations to repair, reconstruct or restore the Improvements as required in subsection (d) above, the City, as a result thereof, shall be entitled to suspend and ultimately terminate its payment obligations under the Note, subject to Section 9.2 of this Agreement.

(f) The City agrees that any interest on its part by virtue of this Agreement in the application or receipt of any proceeds of insurance under the policies required by subsections

(a)(i) or (b)(i) above shall be subordinate to the interest of the Developer's lender of financing for the construction of the Improvements and to any lender of permanent financing.

Section 5.2. Condemnation. In the event that title to and possession of the Improvements or any material part thereof shall be taken in condemnation or by the exercise of the power of eminent domain by any governmental body or other person prior to the Termination Date, the Developer shall, with reasonable promptness after such taking, notify the City as to the nature and extent of such taking. Upon receipt of any condemnation award, the Developer shall elect to either: (a) use the entire condemnation award to reconstruct the Improvements (or, in the event only a part of Improvements have been taken, then to reconstruct such part) within the Tax Increment District; or (b) retain the condemnation award whereupon in the event that a substantial portion of the Property and Improvements have been taken, the City's obligations under this Agreement and the Note shall terminate.

## ARTICLE VI

### **Taxes; Tax Increment**

Section 6.1. Real Property Taxes. The Developer shall pay all real property taxes payable with respect to the Property and Improvements in a timely manner and prior to imposition of penalty.

Section 6.2. Tax Increment. Subject to the limitations contained in the Note, the City hereby pledges to the payment of the Note the Available Tax Increment generated from the Property and completed Improvements. The Developer acknowledges that the City has made no warranties or representations to the Developer as to the amounts of Tax Increment that will be generated or that the Available Tax Increment will be sufficient to pay the Note in whole or in part. All estimates of Available Tax Increment prepared by or on behalf of the City were prepared for the City's use only and were not intended to be relied upon by the Developer. Nor is the City warranting that it will have throughout the term of this Agreement and the Note the continuing legal ability under State law to apply Available Tax Increment to the payment of the Note, which continued legal ability is a condition precedent to the City's obligations under the Note. Tax Increment received by the City in any year in amounts in excess of Available Tax Increment shall be the City's property and the City shall be free to use such excess Tax Increment for any purpose for which such Tax Increment may be used under the Tax Increment Act.

In calculating "Available Tax Increment" to be applied to the Note, the City will retain ten percent (10%) of the Tax Increment, which is the maximum amount that may be spent under the Tax Increment Act for administrative costs related to the Tax Increment District. Upon termination of the Tax Increment District, provided that the City Loan has been paid in full, the City will determine its total administrative costs incurred in connection with the Tax Increment District, including any non-administrative costs required to be treated as administrative costs under the Tax Increment Act. If such costs, when added to amounts of Tax Increment retained by the City and used to repay the City Loan, are less than ten percent (10%) of the total Tax Increment, the City will apply Tax Increment received by the City in excess of such costs and amounts applied to the City Loan to amounts still owing under the Note, if any. However, in no event will the aggregate amount of Tax Increment retained by the City be less than five percent (5%) of the total Tax Increment generated from the Tax Increment District.

Section 6.3. Assessment Agreement. Prior to the City's commencement of the Public Improvements, the Developer and the City shall enter into an Assessment Agreement, substantially in the form of the Assessment Agreement contained in Schedule F of this Agreement. The Assessment Agreement shall establish a minimum market value for the Property and Improvements of \$11,960,000 commencing on January 1, 2014, and continuing until the Termination Date.

## ARTICLE VII

### **Mortgage Financing**

Section 7.1. Mortgage Financing. (a) On or before \_\_\_\_\_, 2013, the Developer shall provide to the City evidence of a commitment for mortgage financing sufficient for construction of the Improvements. If the City finds that the mortgage financing is sufficiently committed, adequate in amount to provide for the construction of the Improvements, and subject only to such conditions as the City approves, then the City shall notify the Developer in writing of its approval. Such approval shall not be unreasonably withheld and either approval or rejection shall be given within fourteen (14) days from the date when the City is provided the evidence of mortgage financing. If the City rejects the evidence of mortgage financing as inadequate, it shall do so in writing specifying the basis for the rejection. In any event, the Developer shall submit adequate evidence of mortgage financing within thirty (30) days after such rejection.

(b) The City agrees that if requested it will enter into an agreement with the Developer's lender of financing for the acquisition and construction of the Improvements allowing such lender, its successors and assigns, to cure defaults by the Developer under this Agreement and to continue to receive payments under the Note so long as there is compliance with all provisions of this Agreement.



## ARTICLE VIII

### **Prohibitions Against Assignment and Transfer, Indemnification**

Section 8.1. Prohibition Against Transfer of Property and Assignment of Agreement. The Developer represents and agrees that prior to completion of the Improvements, the Developer will not make or create, or suffer to be made or created, any total or partial sale, assignment, conveyance, or lease (other than leases to residential tenants), or any trust or power, or transfer in any other mode or form of or with respect to this Agreement or the Property or any part thereof or any interest herein or therein, or any contract or agreement to do any of the same, without the prior written approval of the City. Notwithstanding the foregoing, the Developer may transfer the Property and Improvements to an entity owned or controlled by the Developer or the Developer's owners provided that the Developer informs the City of such transfer and the transferee enters into an agreement under which the transferee assumes and agrees to perform all of the Developer's obligations under this Agreement. Following completion of the Improvements the Developer may transfer the Property and Improvements but shall remain obligated under all of the terms of this Agreement unless the City approves the transfer, including the identity and financial qualifications of the transferee, and the City and the transferee enter into an agreement in a form prescribed by the City by which the transferee assumes and agrees to perform all of the Developer's obligations under this Agreement.

#### Section 8.2. Release and Indemnification Covenants.

(a) The Developer releases from and covenants and agrees that the City and the governing body members, officers, agents, servants and employees thereof shall not be liable for and agrees to indemnify and hold harmless the City and the governing body members, officers, agents, servants and employees thereof against any loss or damage to property or any injury to or death of any person occurring at or about or resulting from any defect in the Improvements.

(b) Except for any willful misrepresentation or any willful or wanton misconduct of the following named parties, the Developer agrees to protect and defend the City and the governing body members, officers, agents, servants and employees thereof, now or forever, and further agrees to hold the aforesaid harmless from any claim, demand, suit, action or other proceeding whatsoever by any person or entity whatsoever arising or purportedly arising from this Agreement, or the transactions contemplated hereby or the acquisition, construction, installation, ownership, and operation of the Improvements.

(c) The City and the governing body members, officers, agents, servants and employees thereof shall not be liable for any damage or injury to the persons or property of the company or its officers, agents, servants or employees or any other person who may be about the Property or Improvements due to any act of negligence of any person.

(d) All covenants, stipulations, promises, agreements and obligations of the City contained herein shall be deemed to be the covenants, stipulations, promises, agreements and obligations of the City and not of any governing body member, officer, agent, servant or employee of the City in the individual capacity thereof.

## ARTICLE IX

### Events of Default

Section 9.1. Events of Default Defined. The term "Event of Default" shall mean, whenever it is used in this Agreement (unless the context otherwise provides), any failure by Developer to substantially observe or perform any material covenant, condition, obligation or agreement on its part to be observed or performed hereunder.

Section 9.2. City's Remedies on Default. Whenever any Event of Default by Developer referred to in Section 9.1 of this Agreement occurs, the City may immediately suspend its performance under this Agreement and the Note until it receives assurances from the Developer, deemed adequate by the City, that the Developer will cure its default and continue its performance under this Agreement and may take any one or more of the following actions after providing thirty (30) days written notice to the Developer of the Event of Default, but only if the Event of Default has not been cured within said thirty (30) days, provided, however, that if such Event of Default is by its nature incapable of cure within thirty (30) days if the Developer provides to the City evidence, reasonably acceptable to the City, that the Event of Default will be cured and will be cured as soon as reasonably possible, then the Developer shall have such additional time as is reasonably necessary to cure such Event of Default but only so long as the Developer is diligently pursuing such cure:

- (a) Terminate this Agreement and/or the Note; and/or
- (b) Take whatever action, including legal, equitable or administrative action, which may appear necessary or desirable to the City to collect any payments due under this Agreement, or to enforce performance and observance of any obligation, agreement, or covenant of the Developer under this Agreement.

Section 9.3. No Remedy Exclusive. No remedy herein conferred upon or reserved to the City or Developer is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the City or the Developer to exercise any remedy reserved to it, it shall not be necessary to give notice, other than such notice as may be required in this Article IX.

Section 9.4. No Additional Waiver Implied by One Waiver. In the event any agreement contained in this Agreement should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other concurrent, previous or subsequent breach hereunder.

Section 9.5. Costs of Enforcement. Whenever any Event of Default occurs and the City shall employ attorneys or incur other expenses for the collection of payments due or to become

due or for the enforcement of performance or observance of any obligation or agreement on the part of the Developer under this Agreement, the Developer agrees that it shall be liable for the reasonable fees of such attorneys and such other expenses so incurred by the City.

## ARTICLE X

### **Additional Provisions**

Section 10.1. Representatives Not Individually Liable. (a) No member, official, or employee of the City shall be personally liable to the Developer, or any successor in interest, in the event of any default or breach or for any amount which may become due to Developer or its successor or on any obligations under the terms of the Agreement.

(b) No member, official, or employee of the Developer shall be personally liable to the City, or any successor in interest, in the event of any default or breach by the Developer or for any amount which may become due to the City or its successor by the Developer on account of any obligations under the terms of the Agreement.

Section 10.2. Restrictions on Use. The Developer agrees for itself, and its successors and assigns, and every successor in interest to the Property, or any part thereof, that the Developer, and such successors and assigns, shall devote the Property to, and only to and in accordance with, the uses specified in this Agreement.

Section 10.3. Titles of Articles and Sections. Any titles of the several parts, Articles, and Sections of the Agreement are inserted for convenience of reference only and shall be disregarded in construing or interpreting any of its provisions.

Section 10.4. Notices and Demands. Except as otherwise expressly provided in this Agreement, a notice, demand, or other communication under the Agreement by either party to the other shall be sufficiently given or delivered if it is dispatched by registered or certified mail, postage prepaid, return receipt requested, or delivered personally; and

(a) in the case of the Developer, is addressed to or delivered personally to the Developer at 321 University Avenue S.E., Minneapolis, MN 55414, with a copy to James Christoffel at Christoffel & Elliott, P.A., 444 Cedar Street, UBS Plaza Suite 1111, Saint Paul, MN 55101; and

(b) in the case of the City, is addressed to or delivered personally to the City at City Hall, 4600 North Victoria Street, Shoreview, MN 55126.

or at such other address with respect to either such party as that party may, from time to time, designate in writing and forward to the other as provided in this Section.

Section 10.5. Disclaimer of Relationships. Nothing contained in this Agreement nor any act by the City or the Developer shall be deemed or construed by any person to create any relationship of third-party beneficiary, principal and agent, limited or general partner, or joint venture among the City, the Developer, and/or any third party.

Section 10.6. Modifications. This Agreement may be modified solely through written amendments hereto executed by the Developer and the City.

Section 10.7. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall constitute one and the same instrument.

Section 10.8. Judicial Interpretation. Should any provision of this Agreement require judicial interpretation, the court interpreting or construing the same shall not apply a presumption that the terms hereof shall be more strictly construed against one party by reason of the rule of construction that a document is to be construed more strictly against the party who itself or through its agent or attorney prepared the same, it being agreed that the agents and attorneys of both parties have participated in the preparation hereof.

Section 10.9. Termination of Agreement. At such time as the Developer has performed all of its payment and other obligations under this Agreement, the City and the Developer will execute an instrument terminating this Agreement.

**IN WITNESS WHEREOF**, the City has caused this Agreement to be duly executed in its name and behalf and the Developer has caused this Agreement to be duly executed in its name and behalf on or as of the date first above written.

**CITY OF SHOREVIEW**

By\_\_\_\_\_

By\_\_\_\_\_

**LAKEVIEW TERRACE, LLC**

By\_\_\_\_\_

By\_\_\_\_\_

**STATE OF MINNESOTA )**  
**) SS.**  
**COUNTY OF \_\_\_\_\_)**

The foregoing instrument was acknowledged before me this \_\_\_\_\_day of \_\_\_\_\_, 2013, by \_\_\_\_\_ and \_\_\_\_\_, the Mayor and City Manager of the City of Shoreview, a statutory City, on behalf of the City.

\_\_\_\_\_  
Notary Public

**STATE OF MINNESOTA )**  
**) SS.**  
**COUNTY OF \_\_\_\_\_)**

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 2013, by \_\_\_\_\_ and \_\_\_\_\_, the \_\_\_\_\_ and \_\_\_\_\_ of Lakeview Terrace, LLC, a Minnesota limited liability company, on behalf of the company.

\_\_\_\_\_  
Notary Public

## **SCHEDULE A**

### **Description of Property**

**SCHEDULE B**  
**UNITED STATES OF AMERICA**  
**STATE OF MINNESOTA**  
**COUNTY OF RAMSEY**  
**CITY OF SHOREVIEW**  
**TAXABLE LIMITED REVENUE TAX INCREMENT NOTE**  
**(LAKEVIEW TERRACE PROJECT)**

The City of Shoreview, Minnesota (the "City"), hereby acknowledges itself to be indebted and, for value received, promises to pay to the order of Lakeview Terrace, LLC, a Minnesota limited liability company, or its permitted assigns (the "Owner"), solely from the source, to the extent and in the manner hereinafter provided, the principal amount of this Note, being Two Million Dollars (\$2,000,000.00) (the "Principal Amount"), together with interest as hereinafter described, on July 31 and December 31 of each year commencing on July 31, 2016, and continuing to and including December 31, 20\_\_ (the "Scheduled Payment Dates"). This Note is the Note defined in that certain Development Agreement dated as of \_\_\_\_\_, 2013, between the City and the Owner (the "Contract"). Interest at the rate of five and one half percent (5.5%) per annum (the "Rate") shall accrue from the date of this Note until the earlier of the date that this Note is paid in full or the termination of the City's Tax Increment Financing District No. 8 (the "District"). Interest shall be computed on the basis of a 360-day year of twelve (12) 30-day months.

Each payment on this Note is payable in any coin or currency of the United States of America which on the date of such payment is legal tender for public and private debts and shall be made by check or draft made payable to the Owner and mailed to the Owner at its postal address within the United States which shall be designated from time to time by the Owner.

The Note is a special and limited obligation and not a general obligation of the City, which has been issued by the City pursuant to and in full conformity with the Constitution and laws of the State of Minnesota, including Minnesota Statutes, Section 469.178, subdivision 4, to aid in financing a "project", as therein defined, of the City consisting generally of defraying certain capital and administrative costs incurred and to be incurred by the City within and for the benefit of its Municipal Development District No. 2 (the "Project").

**THIS NOTE IS SPECIAL AND LIMITED AND NOT A GENERAL OBLIGATION OF THE CITY PAYABLE SOLELY OUT OF AVAILABLE TAX INCREMENT, AS DEFINED BELOW, AND NEITHER THE STATE NOR ANY POLITICAL SUBDIVISION THEREOF SHALL BE LIABLE ON THIS NOTE, NOR SHALL THIS NOTE BE PAYABLE OUT OF ANY FUNDS OR PROPERTIES OTHER THAN AVAILABLE TAX INCREMENT.**

The Scheduled Payment of this Note due on any Scheduled Payment Date is payable solely from and only to the extent that the City shall have received in the six (6) month period preceding such Scheduled Payment Date "Available Tax Increment". For purposes of this Note, Available Tax Increment with respect to any Scheduled Payment Date shall have the meaning set forth in the Contract. Available Tax Increment constitutes a portion of the tax increment



generated in the calendar year of the Scheduled Payment Date with respect to that certain real property described on the attached Exhibit A (hereinafter referred to as the "Property").

The City shall pay on each Scheduled Payment Date to the Owner the Available Tax Increment received by the City in the six (6) month period preceding such Scheduled Payment Date. To the extent that on the earlier of December 31, 20\_\_ (after making the Scheduled Payment to be made on such date), or the date that the City's Tax Increment Financing District Number 8 terminates, the City has not paid the entire Principal Amount and interest due under this Note, this Note shall nonetheless terminate and the City shall have no further obligations hereunder. All payments made by the City under this Note shall be first applied to accrued interest and then to the Principal Amount.

The City's obligations herein are subject to the terms and conditions of the Contract. Subject to Section 9.2 of the Contract, the City's payment obligations hereunder shall be suspended until an Event of Default arising under the Contract has been cured and/or this Note may be terminated under certain circumstances by the City upon the occurrence of an Event of Default as provided in Sections 9.1 and 9.2 of the Contract, which Contract is incorporated herein and made a part hereof by reference. Upon such termination, the City's obligations to make further payments hereunder shall be discharged. Such termination may be accomplished by the City's giving of written notice to the then registered owner of this Note, as shown on the books of the City.

This Note shall not be payable from or constitute a charge upon any funds of the City, and the City shall not be subject to any liability hereon or be deemed to have obligated itself to pay hereon from any funds except Available Tax Increment, and then only to the extent and in the manner herein specified. The Owner shall never have or be deemed to have the right to compel any exercise of any taxing power of the City or of any other public body, and neither the City nor any director, commissioner, council member, board member, officer, employee or agent of the City, nor any person executing or registering this Note shall be liable personally hereon by reason of the issuance or registration hereof or otherwise.

This Note shall not be transferable or assignable, in whole or in part, by the Owner without the prior written consent of the City, which consent shall not be unreasonably withheld or denied. This Note is issued pursuant to Resolution \_\_\_\_\_ of the City and is entitled to the benefits thereof, which resolution is incorporated herein by reference.

**IT IS HEREBY CERTIFIED AND RECITED** that all acts, conditions, and things required by the Constitution and laws of the State of Minnesota to be done, to have happened, and to be performed precedent to and in the issuance of this Note have been done, have happened, and have been performed in regular and due form, time, and manner as required by law; and that this Note, together with all other indebtedness of the City outstanding on the date hereof and on the date of its actual issuance and delivery, does not cause the indebtedness of the City to exceed any constitutional or statutory limitation thereon.

**IN WITNESS WHEREOF**, the City of Shoreview, by its City Council, has caused this Note to be executed by the manual signatures of the \_\_\_\_\_ and the \_\_\_\_\_ of the City and has caused this Note to be dated \_\_\_\_\_, 201\_\_.

\_\_\_\_\_

\_\_\_\_\_

**EXHIBIT A TO NOTE**

**Description of Property**

## **SCHEDULE C**

### **Reimbursable Costs**

The following costs to be incurred by the Developer shall constitute the Reimbursable Costs:

## SCHEDULE D

### City Loan Repayment Schedule

Lake View Terrace Amortization Schedule -City Loan 1% inflation					
			2.75%		
0.5	1,087,000.00	25,905.00	14,946.25	10,958.75	1,076,041.25
1.0	1,076,041.25	25,905.00	14,795.57	11,109.43	1,064,931.82
1.5	1,064,931.82	26,051.00	14,642.81	11,408.19	1,053,523.63
2.0	1,053,523.63	26,051.00	14,485.95	11,565.05	1,041,958.58
2.5	1,041,958.58	26,197.00	14,326.93	11,870.07	1,030,088.51
3.0	1,030,088.51	26,197.00	14,163.72	12,033.28	1,018,055.23
3.5	1,018,055.23	26,344.00	13,998.26	12,345.74	1,005,709.49
4.0	1,005,709.49	26,344.00	13,828.51	12,515.49	993,193.99
4.5	993,193.99	26,491.00	13,656.42	12,834.58	980,359.41
5.0	980,359.41	26,491.00	13,479.94	13,011.06	967,348.35
5.5	967,348.35	26,640.00	13,301.04	13,338.96	954,009.39
6.0	954,009.39	26,640.00	13,117.63	13,522.37	940,487.02
6.5	940,487.02	26,789.00	12,931.70	13,857.30	926,629.72
7.0	926,629.72	26,789.00	12,741.16	14,047.84	912,581.88
7.5	912,581.88	26,939.00	12,548.00	14,391.00	898,190.88
8.0	898,190.88	26,939.00	12,350.12	14,588.88	883,602.00
8.5	883,602.00	27,809.00	12,149.53	15,659.47	867,942.53
9.0	867,942.53	27,809.00	11,934.21	15,874.79	852,067.74
9.5	852,067.74	27,241.00	11,715.93	15,525.07	836,542.67
10.0	836,542.67	27,241.00	11,502.46	15,738.54	820,804.13
10.5	820,804.13	27,398.00	11,286.06	16,111.94	804,692.19
11.0	804,692.19	27,398.00	11,064.52	16,333.48	788,358.71
11.5	788,358.71	27,551.00	10,839.93	16,711.07	771,647.64
12.0	771,647.64	27,551.00	10,610.16	16,940.84	754,706.79
12.5	754,706.79	27,705.00	10,377.22	17,327.78	737,379.01
13.0	737,379.01	27,705.00	10,138.96	17,566.04	719,812.97
13.5	719,812.97	27,859.00	9,897.43	17,961.57	701,851.40
14.0	701,851.40	27,859.00	9,650.46	18,208.54	683,642.86
14.5	683,642.86	28,014.00	9,400.09	18,613.91	665,028.95
15.0	665,028.95	28,014.00	9,144.15	18,869.85	646,159.09
15.5	646,159.09	28,170.00	8,884.69	19,285.31	626,873.78
16.0	626,873.78	28,170.00	8,619.51	19,550.49	607,323.30
16.5	607,323.30	28,327.00	8,350.70	19,976.30	587,346.99
17.0	587,346.99	28,327.00	8,076.02	20,250.98	567,096.01
17.5	567,096.01	28,484.00	7,797.57	20,686.43	546,409.58
18.0	546,409.58	28,484.00	7,513.13	20,970.87	525,438.72
18.5	525,438.72	28,643.00	7,224.78	21,418.22	504,020.50

19.0	504,020.50	28,643.00	6,930.28	21,712.72	482,307.78
19.5	482,307.78	28,643.00	6,631.73	22,011.27	460,296.51
20.0	460,296.51	28,802.00	6,329.08	22,472.92	437,823.59
20.5	437,823.59	28,802.00	6,020.07	22,781.93	415,041.66
21.0	415,041.66	28,967.00	5,706.82	23,260.18	391,781.49
21.5	391,781.49	28,967.00	5,387.00	23,580.00	368,201.48
22.0	368,201.48	29,128.00	5,062.77	24,065.23	344,136.25
22.5	344,136.25	29,128.00	4,731.87	24,396.13	319,740.12
23.0	319,740.12	29,452.00	4,396.43	25,055.57	294,684.55
23.5	294,684.55	29,452.00	4,051.91	25,400.09	269,284.46
24.0	269,284.46	29,615.00	3,702.66	25,912.34	243,372.13
24.5	243,372.13	29,615.00	3,346.37	26,268.63	217,103.49
25.0	217,103.49	29,779.00	2,985.17	26,793.83	190,309.67
25.5	190,309.67	29,779.00	2,616.76	27,162.24	163,147.42
26.0	163,147.42	30,053.00	2,243.28	27,809.72	135,337.70

## **SCHEDULE E**

### **Description of Public Improvements and Developer Public Improvements and Construction Schedule**

**SCHEDULE F**

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**ASSESSMENT AGREEMENT**

**and**

**ASSESSOR'S CERTIFICATION**

**By and among**

**CITY OF SHOREVIEW, MINNESOTA,**

**LAKEVIEW TERRACE, LLC,**

**and**

**COUNTY ASSESSOR OF THE COUNTY OF RAMSEY**

---

This document was drafted by:

BRADLEY & DEIKE, P.A.  
4018 West 65<sup>th</sup> Street, Suite 100  
Edina, Minnesota 55435



**THIS AGREEMENT**, dated as of this \_\_\_\_ day of \_\_\_\_\_, 2013, is by and between the City of Shoreview, Minnesota, a statutory city under the laws of the state of Minnesota (the "City") and Lakeview Terrace, LLC, a Minnesota limited liability company (the "Developer").

**WITNESSETH:** that

**WHEREAS**, on or before the date hereof the City and Developer have entered into a Development Agreement (the "Development Agreement") regarding certain real property located in the City of Shoreview hereinafter referred to as the "Property" and legally described in Exhibit A hereto; and

**WHEREAS**, it is contemplated that pursuant to the Development Agreement the Developer will construct a housing facility on the Property; and

**WHEREAS**, the City and the Developer desire to establish a minimum market value for said land and the proposed improvements thereon, pursuant to Minnesota Statutes, Section 469.177, Subdivision 8; and

**WHEREAS**, the City and the County Assessor for the County of Ramsey, Minnesota have reviewed the preliminary plans and specifications for the improvements which it is contemplated will be erected.

**NOW, THEREFORE**, the parties to this Agreement, in consideration of the promises, covenants and agreements made by each to the other, do hereby agree as follows:

1. Commencing on January 1, 2014, and continuing on each tax assessment date thereafter until this Agreement is terminated, the minimum market value which shall be assessed for the land described in Exhibit A and the above described completed improvements shall be not less than Eleven Million Nine Hundred and Sixty Thousand Dollars (\$11,960,000), notwithstanding incomplete construction of the above described improvements.

2. This Agreement shall terminate in its entirety on the Termination Date, as defined in the Development Agreement.

3. This Agreement shall be promptly recorded at the expense of the Developer.

4. Neither the preambles nor provisions of this Agreement are intended to, nor shall they be construed as, modifying the terms of the Development Contract between the City and the Developer.

5. This Agreement, together with the burdens and benefits contained herein, shall run with title to the Property and shall inure to the benefit of and be binding upon the successors and assigns of the parties hereto.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the date first above written.

**CITY OF SHOREVIEW**

By: \_\_\_\_\_  
Its \_\_\_\_\_

By: \_\_\_\_\_  
Its \_\_\_\_\_

**LAKEVIEW TERRACE, LLC**

By \_\_\_\_\_  
Its \_\_\_\_\_

**STATE OF MINNESOTA**       )  
  )ss.  
**COUNTY OF** \_\_\_\_\_)

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 2013, by \_\_\_\_\_ and \_\_\_\_\_, the \_\_\_\_\_ and \_\_\_\_\_ of the City of Shoreview, Minnesota, a statutory city under the laws of the state of Minnesota, on behalf of the City.

\_\_\_\_\_  
Notary Public

**STATE OF MINNESOTA**       )  
  )ss.  
**COUNTY OF** \_\_\_\_\_)

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 2013, by \_\_\_\_\_ the \_\_\_\_\_ of Lakeview Terrace, LLC, a Minnesota limited liability company, on behalf of the company.

\_\_\_\_\_  
Notary Public

## CERTIFICATION BY COUNTY ASSESSOR

The undersigned, having reviewed the plans and specifications for the improvements to be constructed and the market value assigned to the land upon which the improvements are to be constructed, and being of the opinion that the minimum market value contained in the foregoing Assessment Agreement appears reasonable, hereby certifies as follows: The undersigned assessor, being legally responsible for the assessment of the above described property, certifies that the market values assigned to such land and improvements are reasonable.

\_\_\_\_\_  
County Assessor for the County  
of Ramsey, Minnesota

STATE OF MINNESOTA    )  
  )ss.  
COUNTY OF \_\_\_\_\_)

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 2013, by the County Assessor for the County of Ramsey, Minnesota.

\_\_\_\_\_  
Notary Public

## **EXHIBIT A**

### **Legal Description of Property**

**REPORT OF  
INSPECTION PROCEDURES AND RESULTS  
FOR  
DETERMINING QUALIFICATIONS OF A  
TAX INCREMENT FINANCING DISTRICT  
AS A REDEVELOPMENT DISTRICT**

**Midland Plaza TIF District  
Shoreview, Minnesota**

LHB Project No. 110238

July 27, 2012



Prepared For The  
**City of Shoreview**

Prepared by



LHB, Inc.  
250 Third Avenue North, Suite 450  
Minneapolis, Minnesota 55401

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## **PART 1 – EXECUTIVE SUMMARY**

### **PURPOSE OF EVALUATION**

LHB was hired by the City of Shoreview to inspect and evaluate the properties within a Tax Increment Financing Redevelopment District (“TIF District”) proposed to be established by the City. The proposed TIF District is located near the intersection of County Road E and Victoria Street and incorporates a portion of Lake Shoreview (Diagram 1). The purpose of LHB’s work is to determine whether the proposed TIF District meets the statutory requirements for coverage, and whether two buildings on 3 parcels, located within the proposed TIF District, meet the qualifications required for a Redevelopment District.

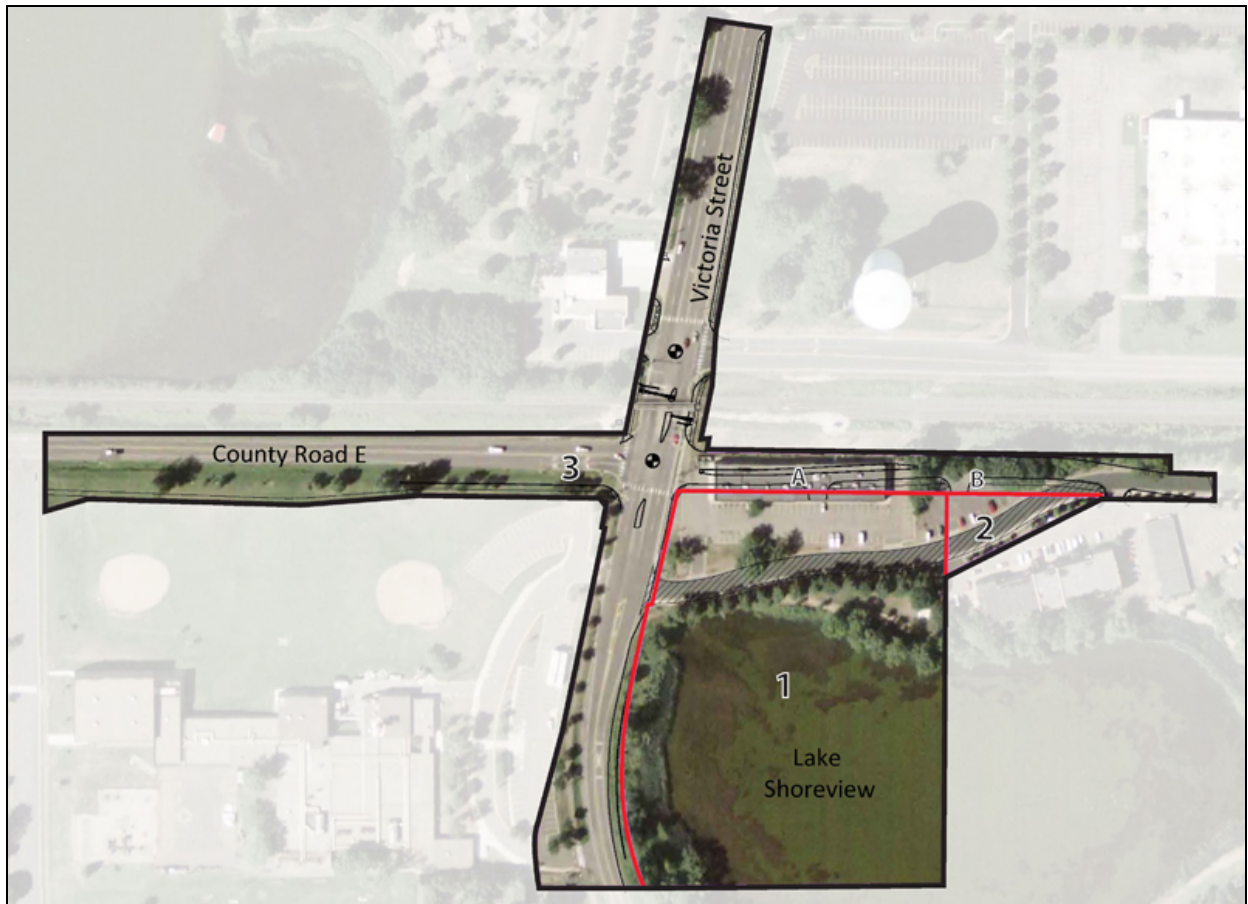


Diagram 1 – Proposed TIF District



## **SCOPE OF WORK**

The proposed TIF District consists of three (3) parcels with two (2) structures.

Two buildings received an on-site interior and exterior inspection on May 26, 2011. Building code and Condition Deficiency reports are located in Appendix B.

## **CONCLUSION**

After inspecting and evaluating the properties within the proposed TIF District and applying current statutory criteria for a Redevelopment District under *Minnesota Statutes, Section 469.174, Subdivision 10*, it is our professional opinion that the proposed TIF District qualifies as a Redevelopment District because:

- The proposed TIF District has a coverage calculation of 100 percent which is above the 70 percent requirement.
- 100 percent of the buildings are structurally substandard which is above the 50 percent requirement.
- The substandard buildings are reasonably distributed throughout the geographic area of the proposed TIF District.

The remainder of this report describes our process and findings in detail.

## **PART 2 – MINNESOTA STATUTE 469.174, SUBDIVISION 10 REQUIREMENTS**

The properties were inspected in accordance with the following requirements under *Minnesota Statutes, Section 469.174, Subdivision 10(c)*, which states:

### **Interior Inspection**

“The municipality may not make such determination [that the building is structurally substandard] without an interior inspection of the property...”

### **Exterior Inspection and Other Means**

“An interior inspection of the property is not required, if the municipality finds that

- (1) the municipality or authority is unable to gain access to the property after using its best efforts to obtain permission from the party that owns or controls the property; and
- (2) the evidence otherwise supports a reasonable conclusion that the building is structurally substandard.”

### **Documentation**

“Written documentation of the findings and reasons why an interior inspection was not conducted must be made and retained under section 469.175, subdivision 3(1).”

## **Qualification Requirements**

*Minnesota Statutes, Section 469.174, Subdivision 10 (a) (1)* requires two tests for occupied parcels:

### **A. Coverage Test**

...“parcels consisting of 70 percent of the area of the district are occupied by buildings, streets, utilities, or paved or gravel parking lots”

The coverage required by the parcel to be considered occupied is defined under *Minnesota Statutes, Section 469.174, Subdivision 10(e)*, which states: “For purposes of this subdivision, a parcel is not occupied by buildings, streets, utilities, or paved or gravel parking lots unless 15 percent of the area of the parcel contains building, streets, utilities, or paved or gravel parking lots.”

### **B. Condition of Buildings Test**

...“and more than 50 percent of the buildings, not including outbuildings, are structurally substandard to a degree requiring substantial renovation or clearance;”

1. Structurally substandard is defined under *Minnesota Statutes, Section 469.174, Subdivision 10(b)*, which states: “For purposes of this subdivision, ‘structurally substandard’ shall mean containing defects in structural elements or a combination of deficiencies in essential utilities and facilities, light and ventilation, fire protection including adequate egress, layout and condition of interior partitions, or similar factors, which defects or deficiencies are of sufficient total significance to justify substantial renovation or clearance.”

- a. We do not count energy code deficiencies toward the thresholds required by *Minnesota Statutes, Section 469.174, Subdivision 10(b)*) defined as “structurally substandard”, due to concerns expressed by the State of Minnesota Court of Appeals in the *Walser Auto Sales, Inc. vs. City of Richfield* case filed November 13, 2001.

2. Buildings are not eligible to be considered structurally substandard unless they meet certain additional criteria, as set forth in Subdivision 10(c) which states:

“A building is not structurally substandard if it is in compliance with the building code applicable to new buildings or could be modified to satisfy the building code at a cost of less than 15 percent of the cost of constructing a new structure of the same square footage and type on the site. The municipality may find that a building is not disqualified as structurally substandard under the preceding sentence on the basis of reasonably available evidence, such as the size, type, and age of the building, the average cost of plumbing, electrical, or structural repairs, or other similar reliable evidence.”

“Items of evidence that support such a conclusion [that the building is not disqualified] include recent fire or police inspections, on-site property appraisals or housing inspections, exterior evidence of deterioration, or other similar reliable evidence.”

LHB counts energy code deficiencies toward the 15 percent code threshold required by *Minnesota Statutes, Section 469.174, Subdivision 10(c)* for the following reasons:

- The Minnesota energy code is one of ten building code areas highlighted by the Minnesota Department of Labor and Industry website where minimum construction standards are required by law.
- The index page of the 2007 Minnesota Building Code lists the Minnesota Energy Code as a “Required Enforcement” area compared to an additional list of “Optional Enforcement” chapters.
- The Senior Building Code Representative for the Construction Codes and Licensing Division of the Minnesota Department of Labor and Industry confirmed that the Minnesota Energy Code is being enforced throughout the State of Minnesota.
- In a January 2002 report to the Minnesota Legislature, the Management Analysis Division of the Minnesota Department of Administration confirmed that the construction cost of new buildings complying with the Minnesota Energy Code is higher than buildings built prior to the enactment of the code.
- Proper TIF analysis requires a comparison between the replacement value of a new building built under current code standards with the repairs that would be necessary to bring the existing building up to current code standards. In order for an equal comparison to be made, all applicable code chapters should be applied to both scenarios. Since current construction estimating software automatically applies the construction cost of complying with the Minnesota Energy Code, energy code deficiencies should also be identified in the existing structures.

### **PART 3 – PROCEDURES FOLLOWED**

LHB was able to schedule interior and exterior inspections for the two buildings on May 26, 2011, and made the following findings:

### **PART 4 – FINDINGS**

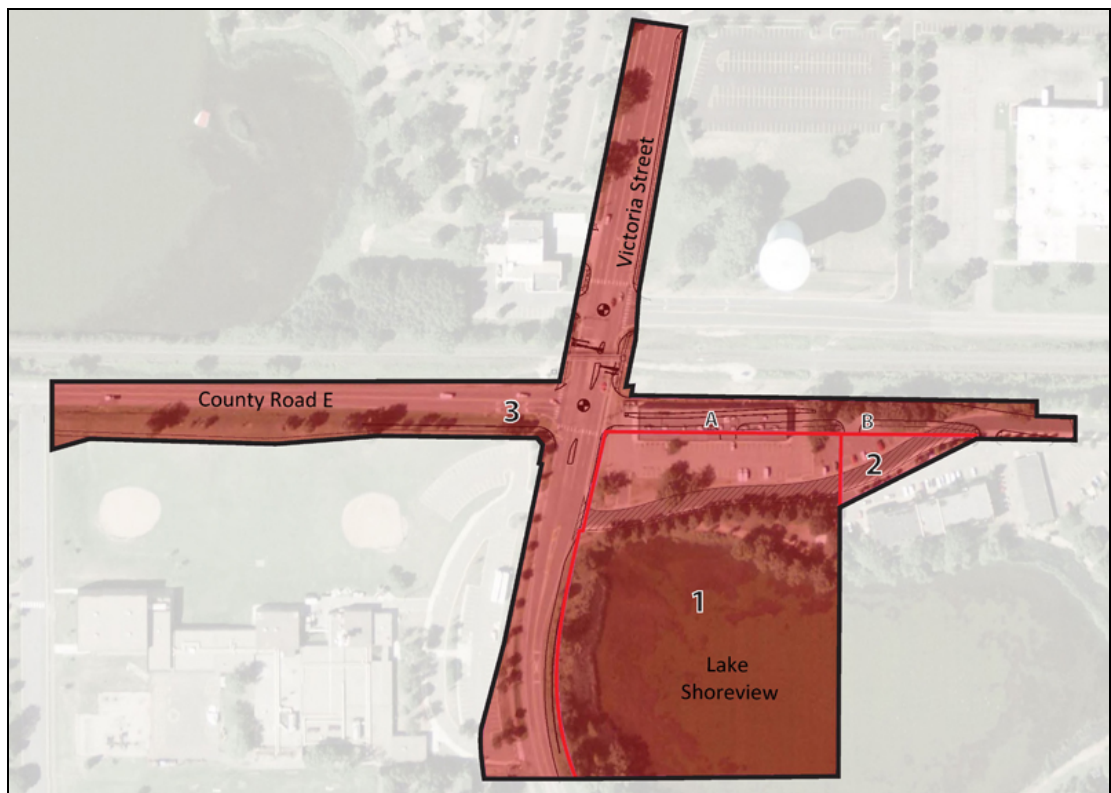
#### **A. Coverage Test**

1. The total square foot area of each parcel in the proposed TIF District was obtained from City records, GIS mapping and site verification.

2. The total square foot area of buildings and site improvements on the parcels in the proposed TIF District was obtained from City records, GIS mapping and site verification.
3. The percentage of coverage for each parcel in the proposed TIF District was computed to determine if the 15 percent minimum requirement was met. The total square footage of parcels meeting the 15 percent requirement was divided into the total square footage of the entire district to determine if the 70 percent requirement was met.

**Finding:**

The proposed TIF District met the coverage test under *Minnesota Statutes, Section 469.174, Subdivision 10(e)*, which resulted in parcels consisting of 100 percent of the area of the proposed TIF District being occupied by buildings, streets, utilities, paved or gravel parking lots, or other similar structures (Diagram 2). This exceeds the 70 percent area coverage requirement for the proposed TIF District under *Minnesota Statutes, Section 469.174, Subdivision (a) (1)*.



**Diagram 2 – Coverage Diagram**

Shaded area depicts a parcel more than 15 percent occupied by buildings, streets, utilities,  
Paved or gravel parking lots or other similar structures

## **B. Condition of Building Test**

### **1. Building Inspection**

The first step in the evaluation process is the building inspection. After an initial walk-thru, the inspector makes a judgment whether or not a building “appears” to have enough defects or deficiencies of sufficient total significance to justify substantial renovation or clearance. If it does, the inspector documents with notes and photographs code and non-code deficiencies in the building.

### **2. Replacement Cost**

The second step in evaluating a building to determine if it is substandard to a degree requiring substantial renovation or clearance is to determine its replacement cost. This is the cost of constructing a new structure of the same square footage and type on site. Replacement costs were researched using R.S. Means Cost Works square foot models for 2011.

A replacement cost was calculated by first establishing building use (office, retail, residential, etc.), building construction type (wood, concrete, masonry, etc.), and building size to obtain the appropriate median replacement cost, which factors in the costs of construction in Shoreview, Minnesota.

Replacement cost includes labor, materials, and the contractor’s overhead and profit. Replacement costs do not include architectural fees, legal fees or other “soft” costs not directly related to construction activities. Replacement cost for each building is tabulated in Appendix A.

### **3. Code Deficiencies**

The next step in evaluating a building is to determine what code deficiencies exist with respect to such building. Code deficiencies are those conditions for a building which are not in compliance with current building codes applicable to new buildings in the State of Minnesota.

*Minnesota Statutes, Section 469.174, Subdivision 10(c)*, specifically provides that a building cannot be considered structurally substandard if its code deficiencies are not at least 15 percent of the replacement cost of the building. As a result, it was necessary to determine the extent of code deficiencies for each building in the proposed TIF District.

The evaluation was made by reviewing all available information with respect to such buildings contained in City Building Inspection records and making interior and exterior inspections of the buildings. LHB utilizes the current Minnesota State Building Code as the official code for our evaluations. The Minnesota State Building Code is actually a series of provisional codes written specifically for Minnesota only requirements, adoption of several international codes, and amendments to the adopted international codes.

After identifying the code deficiencies in each building, we used R.S. Means Cost Works 2011; Unit and Assembly Costs to determine the cost of correcting the identified deficiencies. We were then able to compare the correction costs with the replacement cost of each building to determine if the costs for correcting code deficiencies meet the required 15 percent threshold.

**Finding:**

Two (2) out of two (2) buildings (100 percent) in the proposed TIF District contained code deficiencies exceeding the 15 percent threshold required by *Minnesota Statutes, Section 469.174, Subdivision 10(c)*. A complete Building Code and Condition Deficiency report for each building in the proposed TIF District can be found in Appendix B of this report.

**4. System Condition Deficiencies**

If a building meets the minimum code deficiency threshold under *Minnesota Statutes, Section 469.174, Subdivision 10(c)*, then in order for such building to be “structurally substandard” under *Minnesota Statutes, Section 469.174, Subdivision 10(b)*, the building’s defects or deficiencies should be of sufficient total significance to justify “substantial renovation or clearance.” Based on this definition, LHB re-evaluated each of the buildings that met the code deficiency threshold under *Minnesota Statutes, Section 469.174, Subdivision 10(c)*, to determine if the total deficiencies warranted “substantial renovation or clearance” based on the criteria we outlined above.

System condition deficiencies are a measurement of defects or substantial deterioration in site elements, structure, exterior envelope, mechanical and electrical components, fire protection and emergency systems, interior partitions, ceilings, floors and doors.

The evaluation of system condition deficiencies was made by reviewing all available information contained in City records, and making interior and exterior inspections of the buildings. LHB only identified system condition deficiencies that were visible upon our inspection of the building or contained in City records. We did not consider the amount of “service life” used up for a particular component unless it was an obvious part of that component’s deficiencies.

After identifying the system condition deficiencies in each building, we used our professional judgment to determine if the list of defects or deficiencies are of sufficient total significance to justify “substantial renovation or clearance.”

**Finding:**

In our professional opinion, two (2) out of two (2) buildings (100 percent) in the proposed TIF District are structurally substandard to a degree requiring substantial renovation or clearance, because of defects in structural elements or a combination of deficiencies in essential utilities and facilities, light and ventilation, fire protection including adequate egress, layout and condition of interior partitions, or similar

factors which defects or deficiencies are of sufficient total significance to justify substantial renovation or clearance. This exceeds the 50 percent requirement of Subdivision 10a(1).

### C. Distribution of substandard structures

Much of this report has focused on the condition of individual buildings as they relate to requirements identified by *Minnesota Statutes, Section 469.174, Subdivision 10*. It is also important to look at the distribution of substandard buildings throughout the geographic area of the proposed TIF District (Diagram 3).

#### **Finding:**

The substandard buildings are reasonably distributed throughout the geographic area of the proposed TIF District.

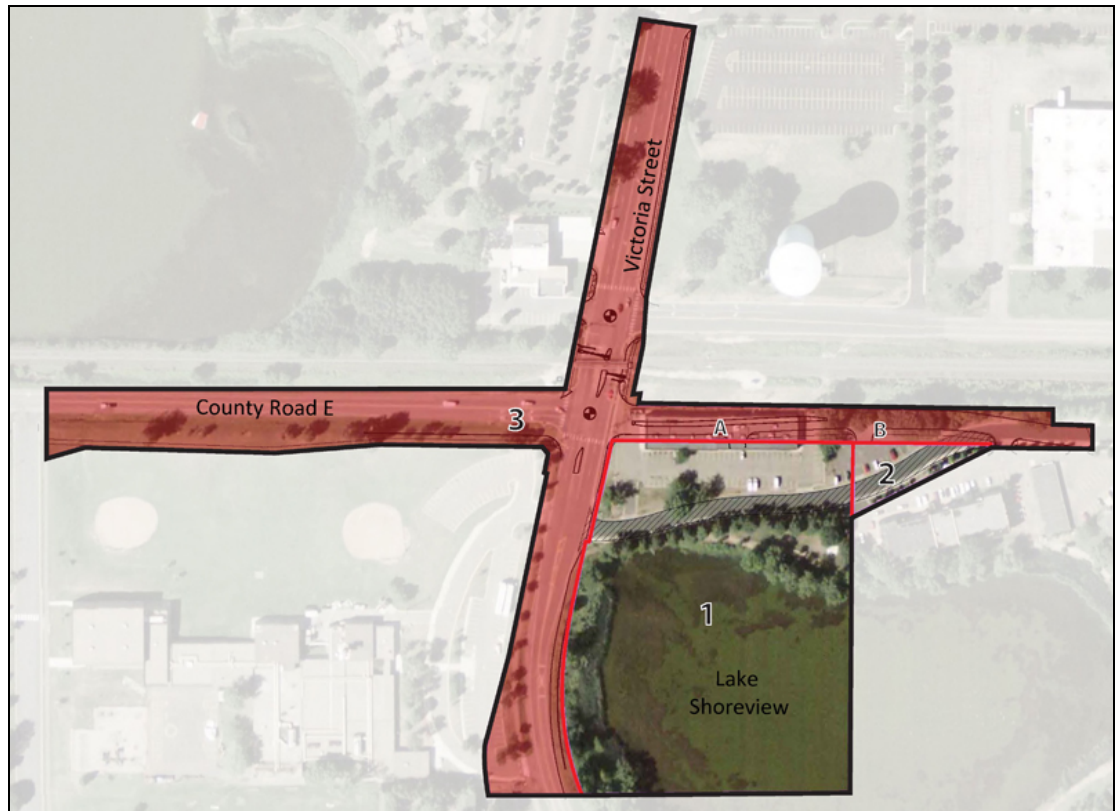


Diagram 3 – Substandard Buildings  
Shaded area depicts parcels with substandard buildings

## **PART 5 - TEAM CREDENTIALS**

### ***Michael A. Fischer, AIA LEED AP - Project Principal/TIF Analyst***

Michael has twenty-four years of architectural experience as project principal, project manager, project designer and project architect on municipal planning, educational, commercial and governmental projects. He is a Senior Vice President at LHB and currently leads the Minneapolis office. Michael completed a two-year Bush Fellowship at the Massachusetts Institute of Technology in 1999, earning Masters Degrees in City Planning and Real Estate Development. Michael has served on over 35 committees, boards and community task forces, including a term as City Council President and Chair of the Duluth/Superior Metropolitan Planning organization. He is currently a member of the Planning Commission in Edina, Minnesota. He was one of four architects in the country to receive the National "Young Architects Citation" from the American Institute of Architects in 1997.

### ***Ben Trousdale, AIA - Project Manager/Inspector***

Ben is a project architect in LHB's Minneapolis office with 20 years of experience working on a variety of multi-family housing and commercial projects. He has extensive skills in creating quality construction documents that convey a building's fundamentals and unique design details. His responsibilities include project management, code analysis, and overseeing document production. Ben is a licensed architect in Minnesota and is involved with AIA activities including Search for Shelter charrettes.

### ***Lydia Major, MLA, ASLA – GIS/Mapping***

Lydia brings a passion for design that benefits the client, the community, and the environment. Her experience includes designing and drafting commercial and residential properties at a variety of scales. Lydia integrates her skills with AutoCAD, ArcGIS, and the Adobe Creative Suite to produce plans, color renderings, booklets, and other presentation materials. Communication is a critical component in all projects, and Lydia's uses her education as a writer to create compelling project documents, including proposals, requests for variance, and other public-relations materials.

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## **APPENDICES**

APPENDIX A	Property Condition Assessment Summary Sheet
APPENDIX B	Building Code and Condition Deficiencies Reports
APPENDIX C	Building Replacement Cost Reports
	Code Deficiency Cost Reports
	Photographs



## **APPENDIX A**

### **Property Condition Assessment Summary Sheet**



7/27/12

# Midland Plaza Redevelopment TIF Analysis

## SUMMARY SPREADSHEET

TIF Map No.	Property Address	Improved or Vacant	Survey Method Used	Site Area (S.F.)	Coverage Area of Improvements (S.F.)	Coverage Percent of Improvements	Coverage Quantity (S.F.)	No. of Buildings	Building Replacement Cost	15% of Replacement Cost	Building Code Deficiencies	No. of Buildings Exceeding 15% Criteria	No. of buildings determined substandard
1	N/A	Vacant	Exterior	273,557	44,316	16.2%	273,557	0				0	0
2	N/A	Vacant	Exterior	14,810	14,810	100.0%	14,810	0				0	0
3A	N/A	Improved	Interior/Exterior	73,180	73,180	100.0%	73,180	1	\$1,110,550	\$166,583	\$281,689	1	1
3B	N/A	Improved	Interior/Exterior	see above	See above	0.0%	0	1	\$113,655	\$17,048	\$41,747	1	1
TOTALS				361,547	Total Coverage Percent:		361,547	2	Percent of buildings exceeding 15 percent code deficiency threshold:			2	2
							100.0%					100.0%	
													100.0%

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Percent of buildings determined substandard:

## **APPENDIX B**

### **Building Code and Condition Deficiencies Reports**

**MIDLAND PLAZA TIF DISTRICT  
CODE/CONDITION DEFICIENCY REPORT**

**July 27, 2012**

**Map No. & Building Name:** 3A - Midland Plaza  
**Inspection Date & Time:** May 26, 2011, 8:30 AM  
**Inspection Type:** Interior/Exterior

**Summary of Deficiencies:** It is our professional opinion that this building is **Substandard** because:  
- Building Code deficiencies total more than 15% of replacement cost.  
- Substantial renovation is required to correct Conditions found.

<b>Estimated Replacement Cost:</b>	<b>\$ 1,110,550</b>
<b>Estimated Cost to Correct Building Code Deficiencies:</b>	<b>\$ 281,689</b>
<b>Percentage of Replacement Cost:</b>	<b>25.4%</b>

**Description of Condition Deficiencies**

Minnesota Statutes, Section 469.174, Subdivision 10, states that a building is Structurally Substandard if it contains "defects in structural elements or a combination of deficiencies in essential utilities and facilities, light and ventilation, fire protection including adequate egress, layout and condition of interior partitions, or similar factors, which defects or deficiencies are of sufficient total significance to justify substantial renovation or clearance."

**A. Defects in Structural Elements**

1. Inadequate roof slope less than 1/4"/foot (2%) MN1305.1507.10.1 to 1305.1507.15.1; Remove existing roof and install new tapered insulation and roofing.
2. Hole with temporary patch in wall at the west end of the building.
3. Temporary non-watertight patch at abandoned duct roof penetration.
4. Stress cracks in CMU wall at north side.

**B. Combination of Deficiencies**

1. Essential Utilities and Facilities
  - a. Entrance doors do not meet accessibility code. Thresholds are higher than 1/2".
  - b. Three of nine retail entrance doors do not have adequate clearance to meet accessibility code.
  - c. HVAC distribution system is in disrepair in west retail space.
  - d. Peeling paint at north CMU wall
  - e. Separating and settled sidewalk at north side.
  - f. Dried and missing sealant between storefront and adjacent areas.
  - g. Occupancy separation between former pizza restaurant and adjacent M occupancy missing fire stopping at the roof deck.
2. Light and Ventilation
  - a. Ceiling light fixtures have been removed from west retail space (former C-store).
  - b. Ventilation supply system is damaged and in disrepair in west retail bay.
  - c. Missing diffuser in former dog grooming business.
  - d. Light fixtures do not meet energy code – existing fixtures are T-12.
  - e. Gas space heater in one retail space storage area is disconnected.
  - f. Kitchen ventilation system in former Chinese restaurant is quite filthy.
  - g. Damaged light difussers in office suite.
3. Fire Protection/Adequate Egress
  - a. Step down at all service doors - no stoops.

4. Layout and Condition of Interior Partitions/Materials

- a. Interior finishes (floors, ceilings walls) in un-occupied spaces are worn, dirty and/or missing.
- b. Gypsum board has been removed from floor to 2 feet above floor at west retail space (former C-store) and the west wall of the adjacent retail space.
- c. Slop sink in former pet grooming business does not have water resistant wall surfaces (unpainted, not taped or sanded) gypsum board).
- d. Water-damaged acoustical ceiling tiles in office suite.

5. Exterior Construction

- a. Exterior service doors show signs of rust. Some are hard to operate due to excessive rust.
- b. Hole with temporary patch in wall at the west end of the building
- c. Storefront is single pane, non-insulated glass.
- d. Sealant degradation between storefront and adjacent structure
- e. Peeling paint at north CMU wall
- f. Missing paint above storefront where signage has been removed
- g. Sidewalk settlement at north wall
- h. Temporary non-watertight patch at abandoned duct roof penetration
- i. Cooking grease has spread beyond protection layer at range exhaust fan on roof.
- j. Abandoned and decaying HVAC equipment of roof
- k. Two damaged and cracked spandrel panels at storefront
- l. Damage trash enclosure on west end
- m. East and west trash enclosure doors are missing.
- n. Water damage because of excess spill at downspouts and splashblocks

**Description of Code Deficiencies**

1. Accessible parking spaces and accessible route not located on shortest accessible route to business entrances.
2. Entrance doors do not meet accessibility code. Thresholds are higher than 1/2".
3. Three of nine retail entrance doors do not have adequate clearance to meet accessibility code.
4. Step down at service door - no stoop.
5. Hole with temporary patch in wall at the west end of the building
6. Roof slope is less than 1/4" per foot.
7. There are no overflow scuppers or drains.
8. Temporary non-watertight patch at abandoned duct roof penetration.
9. Electrical panel at west retail bay: No breakers in panel - twisted pairs with caps only behind empty breaker plate.
10. Receptical at food service sink and restroom lavatory in former C-store are not GFCI.
11. Receptical at hand sink in office suite is not GFCI.
12. Several restroom bathroom floor finishes not impervious to water penetration.
13. Several restrooms do not have exhaust fans.
14. Nine of eleven restrooms do not have adequate floor area to make restroom accessible.
15. Eleven of eleven restrooms have no accessibility features except one has non-compliant grab bars.
16. One restroom in former pizza restaurant is missing a watercloset and urinal and the other is missing a lavatory.
17. Exposed twisted pair wire ends extending from FMC out of electrical panel in office suite.

**MIDLAND PLAZA TIF DISTRICT  
CODE/CONDITION DEFICIENCY REPORT**

July 27, 2012

**Map No. & Building Name:** 3B - 12 Stall Garage  
**Inspection Date & Time:** May 26, 2011, 10:30 AM  
**Inspection Type:** Interior/Exterior

**Summary of Deficiencies:** It is our professional opinion that this building is **Substandard** because:  
- Building Code deficiencies total more than 15% of replacement cost.  
- Substantial renovation is required to correct Conditions found.

<b>Estimated Replacement Cost:</b>	\$ 113,655
<b>Estimated Cost to Correct Building Code Deficiencies:</b>	\$ 41,747
<b>Percentage of Replacement Cost:</b>	36.7%

**Description of Condition Deficiencies**

Minnesota Statutes, Section 469.174, Subdivision 10, states that a building is Structurally Substandard if it contains "defects in structural elements or a combination of deficiencies in essential utilities and facilities, light and ventilation, fire protection including adequate egress, layout and condition of interior partitions, or similar factors, which defects or deficiencies are of sufficient total significance to justify substantial renovation or clearance."

**A. Defects in Structural Elements**

1. Inadequate roof slope less than ¼"/foot (2%) MN1305.1507.10.1 to 1305.1507.15.1; Remove existing roof and install new tapered insulation and roofing.
2. Water is ponding on the roof, along with a build-up of debris.

**B. Combination of Deficiencies**

1. Essential Utilities and Facilities
2. Light and Ventilation
3. Fire Protection/Adequate Egress
4. Layout and Condition of Interior Partitions/Materials
  - a. Floors are stained from oil leaks, fuel leaks, etc.
  - b. Interior wall surfaces are damaged from too much moisture in the building.
5. Exterior Construction
  - a. Overhead doors mis-matched.
  - b. Columns between overhead doors require new paint.
  - c. Overhead doors are dented, scraped and generally damaged.
  - d. Earth is piling up on wood wall causing deterioration, rear of building.
  - e. Cedar shakes on front elevation are damaged.

**Description of Code Deficiencies**

1. Inadequate roof slope less than ¼"/foot (2%) MN1305.1507.10.1 to 1305.1507.15.1; Remove existing roof and install new tapered insulation and roofing.

2. No accessible garage stall per IBC 1106.1. Demolish 2 stalls and construct a single stall garage meeting accessibility requirements.

### **Energy Code**


In addition to the building code deficiencies listed above, the existing building does not comply with the current energy code. These deficiencies are not included in the estimated costs to correct code deficiencies and are not considered in determining whether or not the building is substandard.

## **APPENDIX C**

**Building Replacement Cost Reports  
Code Deficiency Cost Reports  
Photographs**



## Square Foot Cost Estimate Report

Estimate Name:	<b>Midland Plaza - Shoreview</b>	
	City of Shoreview 3588 Owasso Street , Shoreview , MN	
Building Type:	<b>Store, Retail with Split Face Concrete Block / Steel Joists</b>	 <p>Costs are derived from a building model with basic components. Scope differences and market conditions can cause costs to vary significantly.</p>
Location:	<b>National Average</b>	
Story Count:	<b>1</b>	
Story Height (L.F.):	<b>12</b>	
Floor Area (S.F.):	<b>13168</b>	
Labor Type:	<b>Union</b>	
Basement Included:	<b>No</b>	
Data Release:	<b>Year 2011 Quarter 2</b>	
Cost Per Square Foot:	<b>\$84.34</b>	
Building Cost:	<b>\$1,110,550</b>	

		% of Total	Cost Per S.F.	Cost
<b>A Substructure</b>		<b>12.30%</b>	<b>\$9.57</b>	<b>\$126,018</b>
<b>A1010</b>	<b>Standard Foundations</b>		<b>\$1.52</b>	<b>\$20,015</b>
	12" deep x 24" wide			
	0" square x 12" deep			
<b>A1030</b>	<b>Slab on Grade</b>		<b>\$4.97</b>	<b>\$65,445</b>
	Slab on grade, 4" thick, non industrial, reinforced			
<b>A2010</b>	<b>Basement Excavation</b>		<b>\$0.27</b>	<b>\$3,555</b>
	storage			
<b>A2020</b>	<b>Basement Walls</b>		<b>\$2.81</b>	<b>\$37,002</b>
	thick			
<b>B Shell</b>		<b>27.10%</b>	<b>\$21.11</b>	<b>\$277,976</b>
<b>B1020</b>	<b>Roof Construction</b>		<b>\$6.19</b>	<b>\$81,510</b>
	wall, 25'x30' bay, 25" deep, 40 PSF superimposed load, 60 PSF total load			
	wall, 25'x30' bay, 25" deep, 40 PSF superimposed load, 60 PSF total load,			
<b>B2010</b>	<b>Exterior Walls</b>		<b>\$6.53</b>	<b>\$85,987</b>
	reinforced, vertical #5@16", grouted			
<b>B2020</b>	<b>Exterior Windows</b>		<b>\$2.01</b>	<b>\$26,468</b>
	intermediate horizontals			
	Glazing panel, insulating, 1/2" thick, 2 lites 1/8" float glass, clear			
<b>B2030</b>	<b>Exterior Doors</b>		<b>\$0.53</b>	<b>\$6,979</b>
	7'-0" opening			
	0" opening			
<b>B3010</b>	<b>Roof Coverings</b>		<b>\$5.77</b>	<b>\$75,979</b>
	mopped			
	Insulation, rigid, roof deck, composite with 2" EPS, 1" perlite			
	Roof edges, aluminum, duranodic, .050" thick, 6" face			
	Gravel stop, aluminum, extruded, 4", mill finish, .050" thick			
<b>B3020</b>	<b>Roof Openings</b>		<b>\$0.08</b>	<b>\$1,053</b>
	steel, 165 lbs			
<b>C Interiors</b>		<b>17.40%</b>	<b>\$13.56</b>	<b>\$178,558</b>
<b>C1010</b>	<b>Partitions</b>		<b>\$0.95</b>	<b>\$12,510</b>
	gypsum board, 2-1/2" @ 24", same opposite face, no insulation			

C1020	Interior Doors 0" x 7'-0" x 1-3/8"		\$1.75	\$23,044
C3010	Wall Finishes 2 coats paint on masonry with block filler primer & 2 coats		\$1.44	\$18,962
C3020	Floor Finishes Vinyl, composition tile, maximum		\$2.85	\$37,529
C3030	Ceiling Finishes channel grid, suspended support		\$6.57	\$86,514
D Services		43.10%	\$33.57	\$427,038
D2010	Plumbing Fixtures Water closet, vitreous china, tank type, 2 piece close coupled Urinal, vitreous china, wall hung Lavatory w/trim, vanity top, PE on CI, 20" x 18" Service sink w/trim, PE on CI, wall hung w/rim guard, 24" x 20" Water cooler, electric, wall hung, dual height, 14.3 GPH		\$3.08	\$40,557
D2020	Domestic Water Distribution Gas fired water heater, commercial, 100< F rise, 500 MBH input, 480 GPH		\$2.81	\$37,002
D2040	Rain Water Drainage Roof drain, CI, soil, single hub, 4" diam, 10' high Roof drain, CI, soil, single hub, 4" diam, for each additional foot add		\$1.48	\$19,489
D3050	Terminal & Package Units ton		\$7.48	\$98,497
D4010	Sprinklers Wet pipe sprinkler systems, steel, ordinary hazard, 1 floor, 10,000 SF		\$4.33	\$57,017
D5010	Electrical Service/Distribution phase, 4 wire, 120/208 V, 400 A Feeder installation 600 V, including RGS conduit and XHHW wire, 400 A Switchgear installation, incl switchboard, panels & circuit breaker, 400 A		\$1.56	\$20,542
D5020	Lighting and Branch Wiring Receptacles incl plate, box, conduit, wire, 8 per 1000 SF, .9 watts per SF Miscellaneous power, 1.5 watts Central air conditioning power, 4 watts fixtures @32watt per 1000 SF		\$10.10	\$132,997
D5030	Communications and Security detectors, includes outlets, boxes, conduit and wire conduit		\$1.59	\$20,937
E Equipment & Furnishings		0.00%	\$0.00	\$0
E1090	Other Equipment		\$0.00	\$0
F Special Construction		0.00%	\$0.00	\$0
G Building Sitework		0.00%	\$0.00	\$0
SubTotal		100%	\$76.67	\$1,009,591
Contractor Fees (General Conditions, Overhead, Profit)		10.00%	\$7.67	\$100,959
Architectural Fees		0.00%	\$0.00	\$0
User Fees		0.00%	\$0.00	\$0
Total Building Cost			\$84.34	\$1,110,550

**Shoreview, Minnesota Proposed Midland Plaza TIF**  
**Project No. 110238**  
**P.I.D. 35.30.23.12.0012**

Code	Related Cost Items	Unit Cost	Units	Unit Quantity	Total
<b>Handicap Items</b>					
<b>Accessible Restroom</b>					
	Replace toilets to provide handicap access for each sex				
	Build (2) new accessible toilet rooms W/ compliant number of accessories and fixtures				
	Remove existing toilet rooms	\$ 1,750.00	Lump	8	\$ 14,000.00
	Water closets	\$ 2,500.00	each	9	\$ 22,500.00
	Lavatories	\$ 1,750.00	each	9	\$ 15,750.00
	Urinal	\$ 1,750.00	each	-	\$ -
	Sets of grab bars	\$ 400.00	each	9	\$ 3,600.00
	Sets toilet room accessories	\$ 500.00	each	9	\$ 4,500.00
	Interior room reconstruction (doors, partitions, finishes)	\$ 60.00	SF	540	\$ 32,400.00
	Reinstall toilet Room Ventilation System	\$ 500.00	each	9	\$ 4,500.00
<b>Accessible Parking</b>					
	Provide 1 handicapped parking space				
	Add striping at main entry door and existing bituminous parking area	\$ 50.00	lump	2.00	\$ 100.00
	Parking requires signage MN 1341.0428	\$ 150.00	lump	2.00	\$ 300.00
<b>Modify Existing Toilet Rooms</b>					
	MN 1341.0442 - Provide adequate maneuvering space at Men's and Women's 1st floor toilet room doors				
	Men - move conflicting toilet partition and water closet				
	Modify conflicting toilet partition	\$ 690.00	Each	2.00	\$ 1,380.00
	Relocate existing water closet drain pipe, sawcut slab	\$ 65.00	HR	8.00	\$ 520.00
	Relocate water piping	\$ 65.00	HR	2.00	\$ 130.00
	Patch flooring	\$ 14.00	SF	8.00	\$ 112.00
<b>Accessible Entrance and Egress</b>					
	Replace non-accessible storefront entrance doors				
	IBC 1105.1 and MN 1341.0011				
	Demolish existing doors & sidewalks - 10 thus	\$60	HR	20.00	\$ 1,200.00
	Concrete stoop foundations 5' x 4' - 8 thus		LF - Ea.	13.00	
	Excavation/Backfill				
	Strip Footings 12" x 18"	\$ 400.00	CY	6.00	\$ 2,400.00
	8" CMU foundation walls grout solid	\$ 7.00	SF	520.00	\$ 3,640.00
	Concrete stoop slab	\$ 250.00	CY	8.00	\$ 2,000.00
	New rough opening and patching	\$ 60.00	HR	24.00	\$ 1,440.00
	New 3'0 x 7'0 aluminum storefront door and frame and frame with hardwa	\$ 1,250.00	Each	8.00	\$ 10,000.00
<b>Fire Seperation Items</b>					
<b>Exiting</b>					
	Add panic exit devices at 5 door locations	\$ 500.00	Each	2	\$ 1,000.00
	Provide additional electric illuminated exit signs and emergency lighting	\$ 400.00	Each	2	\$ 800.00
	MN 1003.2.10 and 1003.2.11				
<b>Fire Protection</b>					
<b>Roof Construction</b>					
<b>Roof Drainage</b>					
	Remove and reinstall roof providing adequate sloped drainage				
	MN1305.1507.10.1 to 1305.1507.15.1				
	Remove existing roof	\$2.50	SF	13,168	\$ 32,920.00
	Install new roofing system with 6" rigid insulation minimum with taper.	\$8.00	SF	13,168	\$ 105,344.00
	Add additional wood blocking	\$5.00	LF	595	\$ 2,975.00
	Install overflow drainage system at buildings 11 and 7 ( 13,700 SF)				
	4 roof drains	\$ 500.00	Each	-	\$ -
	3" piping @ 300 feet	\$ 21.00	LF	-	\$ -
	Overflow Scuppers	\$ 140.00	Each	4	\$ 560.00

**Shoreview, Minnesota Proposed Midland Plaza TIF**  
**Project No. 110238**  
**P.I.D. 35.30.23.12.0012**

Code	Related Cost Items	Unit Cost	Units	Unit Quantity	Total
<b>Wall Construction</b>					
	Walls provide weather resistive barrier				
	Repair damage wall				
	IBC				
	Demo damaged wall	\$ 60.00	HR	12	\$ 720.00
	Provide and install new exterior wall (excluding metal cladding)	\$ 18.00	SF	150	\$ 2,700.00
	Provide and install new metal cladding to match existing	\$ 15.00	SF	150	\$ 2,250.00
<b>Mechanical- Electrical</b>					
<b>Separation of plumbing over electrical panels</b>					
<b>Provide additional ventilation to comply with current code for fresh air</b>					
<b>Provide ships ladder access to roof to service mechanical equipment</b>					
	MN 1346.0306				
	Demo existing ladder and roof scuttle	\$ 60.00	HR	2	\$ 120.00
	Saw cut and demo CMU walls necessary to provide space for ships ladder	\$ 60.00	HR	8	\$ 480.00
	Saw cut floor for footings for new CMU wall	\$ 65.00	HR	8	\$ 520.00
	Strip footings for CMU wall 12" x 18"	\$ 400.00	CY	6	\$ 2,400.00
	New 8" CMU walls	\$ 8.70	SF	240	\$ 2,088.00
	Concrete slab-on-grade floor patch	\$ 400.00	CY	1	\$ 400.00
	14 foot ships ladder	\$ 300.00	Riser	13	\$ 3,900.00
	New roof scuttle	\$ 1,650.00	EA	1	\$ 1,650.00
	Patch adjacent ceilings	\$ 6.50	SF	60	\$ 390.00
<b>Total Code Improvements</b>				<b>\$</b>	<b>281,689.00</b>



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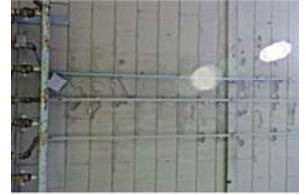
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# Square Foot Cost Estimate Report

Estimate Name:	Untitled	 <p>Costs are derived from a building model with basic components. Scope differences and market conditions can cause costs to vary significantly.</p>
Building Type:	Store, Convenience with Wood Siding / Wood Frame	
Location:	National Average	
Story Count:	1	
Story Height (L.F.):	9	
Floor Area (S.F.):	2844	
Labor Type:	Open Shop	
Basement Included:	No	
Data Release:	Year 2011 Quarter 2	
Cost Per Square Foot:	\$39.96	
Building Cost:	\$113,655	

		% of Total	Cost Per S.F.	Cost
<b>A Substructure</b>		<b>28.16%</b>	<b>\$10.23</b>	<b>\$29,094</b>
A1010	Standard Foundations KSF, 8" deep x 16" wide 0" square x 12" deep		\$1.38	\$3,925
A1030	Slab on Grade Slab on grade, 4" thick, non industrial, reinforced		\$4.85	\$13,793
A2010	Basement Excavation storage		\$0.38	\$1,081
A2020	Basement Walls Foundation wall, CIP, 4' wall height, direct chute, .099 CY/LF, 4.8 PLF, 8" thick		\$3.62	\$10,295
<b>B Shell</b>		<b>55.93%</b>	<b>\$20.32</b>	<b>\$57,790</b>
B1020	Roof Construction Wood roof, truss, 4/12 slope, 24" O.C., 30' to 43' span		\$6.25	\$17,775
B2010	Exterior Walls Wood siding, 2"x6" studs 16"OC, insulated wall, 5/8" texture 1-11 fir plywood		\$5.25	\$14,931
B2030	OH Doors 9'-0" x 7'-0" opening		\$4.20	\$11,945
B3010	Roof Coverings slope, 260-300 lbs/SQ Gutters, box, aluminum, .027" thick, 5", enameled finish Downspout, aluminum, rectangular, 3" x 4", enameled, .024" thick		\$4.62	\$13,139
<b>C Interiors</b>		<b>6.28%</b>	<b>\$2.28</b>	<b>\$6,484</b>
C1010	Partitions 1/2" plywood one side 2 x 4 studs 16" O.C.		\$2.28	\$6,484
<b>D Services</b>		<b>9.63%</b>	<b>\$3.50</b>	<b>\$9,954</b>
D5010	Electrical Service/Distribution 4 wire, 120/208 V, 200 A		\$3.50	\$9,954
<b>E Equipment &amp; Furnishings</b>		<b>0.00%</b>	<b>\$0.00</b>	<b>\$0</b>
E1090	Other Equipment		\$0.00	\$0
<b>F Special Construction</b>		<b>0.00%</b>	<b>\$0.00</b>	<b>\$0</b>
<b>G Building Sitework</b>		<b>0.00%</b>	<b>\$0.00</b>	<b>\$0</b>
<b>SubTotal</b>		<b>100%</b>	<b>\$36.33</b>	<b>\$103,323</b>
<b>Contractor Fees (General Conditions,Overhead,Profit)</b>		<b>10.00%</b>	<b>\$3.63</b>	<b>\$10,332</b>
<b>Architectural Fees</b>		<b>0.00%</b>	<b>\$0.00</b>	<b>\$0</b>
<b>User Fees</b>		<b>0.00%</b>	<b>\$0.00</b>	<b>\$0</b>
<b>Total Building Cost</b>			<b>\$39.96</b>	<b>\$113,655</b>



**Shoreview, Minnesota Proposed Midland Plaza GarageTIF**  
**Project No. 110238**

Code Related Cost Items	Unit Cost	Units	Unit Quantity	Total
<b>Handicap Items</b>				
<b>Accessible Garage Stall</b>				
Remove 2 garage bays and provide accessible garage bay IBC 1106				
Demolish 2 garage bays	\$60	HR	12.00	\$ 720.00
Excavation/Backfill				
Strip Footings 12" x 18"	\$ 300.00	CY	4.00	\$ 1,200.00
8" CMU foundation walls grout solid	\$ 6.00	SF	520.00	\$ 3,120.00
Concrete slab-on-grade floor	\$ 225.00	CY	15.00	\$ 3,375.00
Walls - wood studs, sheathing, weather barrier and siding	\$ 8.00	SF	360.00	\$ 2,880.00
Roof Trusses & Sheathing	\$ 4.80	SF	400.00	\$ 1,920.00
Roofing	\$ 5.50	SF	400.00	\$ 2,200.00
Garage Door & Opener	\$ 1,400.00	EA	1.00	\$ 1,400.00
Electrical Service	\$ 1,000.00	ALLOW	1.00	\$ 1,000.00

**Exiting**

**Fire Protection**

**Roof Construction**

**Roof Drainage**

Remove and reinstall roof providing adequate sloped drainage  
MN1305.1507.10.1 to 1305.1507.15.1

Remove existing roof	\$2.50	SF	2,844	\$ 7,110.00
Install new roofing system with rigid tapered insulation.	\$5.50	SF	2,844	\$ 15,642.00
Add additional wood blocking	\$5.00	LF	180	\$ 900.00

Install overflow drainage system at buildings 11 and 7 ( 13,700 SF)

4 roof drains	\$ 500.00	Each	-	\$ -
3" piping @ 300 feet	\$ 21.00	LF	-	\$ -
Overflow Scuppers	\$ 140.00	Each	2	\$ 280.00

**Mechanical- Electrical**

**Separation of plumbing over electrical panels**

**Provide additional ventilation to comply with current code for fresh air**

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<b>Total Code Improvements</b>	<b>\$ 41,747.00</b>
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**PROPOSED MOTION**

Moved by Council member \_\_\_\_\_

Seconded by Council member \_\_\_\_\_

To adopt proposed resolution number 13-03 authorizing the issuance and sale of \$4,150,000 General Obligation Bonds, series 2013A.

ROLL CALL:	AYES	NAYS	
Johnson	_____	_____	(Note: five affirmative votes are required to authorize these bonds)
Quigley	_____	_____	
Wickstrom	_____	_____	
Withhart	_____	_____	
Martin	_____	_____	

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**PROPOSED MOTION**

Moved by Council member \_\_\_\_\_


Seconded by Council member \_\_\_\_\_

To adopt proposed resolution number 13-04 authorizing the issuance and sale of \$3,555,000 General Obligation Refunding Bonds, series 2013B.

ROLL CALL:	AYES	NAYS
Johnson	_____	_____
Quigley	_____	_____
Wickstrom	_____	_____
Withhart	_____	_____
Martin	_____	_____

Jeanne A. Haapala  
Finance Director  
January 7, 2013 Council Meeting

TO: Terry Schwerm, City Manager  
Mayor and City Council

FROM: Jeanne A. Haapala, Finance Director 

DATE: January 2, 2013

RE: 2013 Bond Issuance and Refunding Bonds

## Introduction

Enclosed are authorizing resolutions for two debt issues: \$4,150,000 general obligation bonds (structured into three separate components) and \$3,555,000 refunding general obligation bonds, which will replace four of the City's current outstanding bond issues with new bonds at lower rates. Each issue is described below.

General Obligation Bonds will finance street and utility improvements:

- **Street Improvement Bonds**, in the amount of \$2.5 million, finance the 2013 Street Rehabilitation project. Even though the annual levy requirement is near \$200,000 per year, the City is able to fund this new debt with less than a \$27,000 increase in the debt share of the 2013 tax levy because the issuance has been timed to coincide with the end of smaller tax levies, and the City has set aside General Fund surpluses in recent years in an effort to moderate the impact of new debt on the total tax levy.
- **Water Bonds**, in the amount of \$810,000, finance the water share of three projects: County Road F/Demar/Floral Street rehabilitation, Red Fox Road Reconstruction, and water booster station improvements.
- **Surface Water Bonds**, in the amount of \$840,000, finance the surface water share of four projects: County Road F/Demar/Floral Street rehabilitation, Lake Wabasso Pretreatment Structure, storm costs for the 2013 Street Rehabilitation project, and Red Fox Road Reconstruction.

Projects constructed during 2012 and 2013 have been combined for this debt issue to avoid the issuance of bonds in both 2012 and 2013, and thereby saving debt issuance costs.

Because the assessed share of the County Road F/Demar/Floral project and the Red Fox Road project amount to approximately \$120,000, staff recommends financing this portion of project costs internally with fund balances in either the Street Renewal or Closed Bond Fund. These funds will cover the assessed share of project costs and will receive the special assessment payments and prepayments received over the life of the assessment.

The table at the top of the next page provides an overview of the projects included in the issuance of bonds.

Description	County Rd F, Demar, Floral Rehab	Lake Wabasso Pretreatment Structure	Street Rehabilitation	Red Fox Road Reconstruction	Water Booster Station Rehabilitation	Total
<b>RESOURCES:</b>						
<b>G.O. Bonds</b>						
Bonds/Taxes	\$ -	\$ -	\$ 2,500,000	\$ -	\$ -	\$ 2,500,000
Bonds/Water Revenue	400,000	-	-	209,016	180,000	789,016
Bonds/Storm Revenue	372,680	55,000	70,000	328,946	-	826,626
Total G.O. Bonds	772,680	55,000	2,570,000	537,962	180,000	4,115,642
<b>Other Revenue</b>						
Assessments-Street	88,995	-	-	30,865	-	119,860
General Fund	27,680	-	-	-	-	27,680
TIF	-	-	-	111,000	-	111,000
MSA	-	-	700,000	60,000	-	760,000
Street Renewal	505,645	-	-	383,279	-	888,924
Sewer Fund	108,000	-	-	57,131	-	165,131
Street Lighting Fund	30,000	-	-	-	-	30,000
Total Other Revenue	760,320	-	700,000	642,275	-	2,102,595
<b>TOTAL RESOURCES</b>	<b>\$ 1,533,000</b>	<b>\$ 55,000</b>	<b>\$ 3,270,000</b>	<b>\$ 1,180,237</b>	<b>\$ 180,000</b>	<b>\$ 6,218,237</b>
<b>OUTLAYS:</b>						
Street, curb & gutter	\$ 650,000	\$ -	\$ 3,170,000	\$ 414,144	\$ -	\$ 4,234,144
Traffic signal	-	-	-	60,000	-	60,000
Water	400,000	-	-	209,016	180,000	789,016
Sewer (sanitary)	108,000	-	-	57,131	-	165,131
Storm Sewer	345,000	55,000	100,000	393,946	-	893,946
Street Lighting	30,000	-	-	46,000	-	76,000
<b>TOTAL OUTLAYS</b>	<b>\$ 1,533,000</b>	<b>\$ 55,000</b>	<b>\$ 3,270,000</b>	<b>\$ 1,180,237</b>	<b>\$ 180,000</b>	<b>\$ 6,218,237</b>

Refunding General Obligation Bonds will refinance four outstanding debt obligations that were originally issued in 2004 and 2006, and reduce interest costs. Debt obligations to be refunded include:

- 2004 G.O. Bonds in the amount of \$505,000 (\$135,000 assessment bonds, \$95,000 water bonds, \$120,000 sewer bonds and \$155,000 surface water bonds)
- 2004 G.O. Bonds in the amount of \$760,000 (fire station expansion/remodeling)
- 2006 G.O. Bonds in the amount of \$785,000 (\$100,000 assessment bonds, \$520,000 water bonds, \$165,000 sewer bonds)
- 2006 G.O. Street Bonds in the amount of \$1,385,000

Based on the current market, Springsted estimates a net present value interest savings of approximately \$242,047, and an overall interest rate of 1.3% for the new refunding bonds.

**Summary**

Bids will be accepted for the bonds on Monday, February 4 and presented to the City Council at the regular council meeting that night. Staff will be in contact with Standard and Poor's Rating Services in late February for the purpose of establishing a bond rating.

Staff recommends adoption of the proposed resolutions authorizing issuance and sale of both bond issues.

## **CERTIFICATION OF MINUTES**

Municipality: The City of Shoreview, Minnesota

Governing Body: City Council

Meeting: A meeting of the City Council of the City of Shoreview was held on the 7<sup>th</sup> day of January, 2013, at 7:00 p.m. at the City offices, 4600 Victoria Street North, Shoreview, Minnesota.

Members present:

Members absent:

Documents: Resolution No. 13-03 - Authorizing Issuance and Sale of \$4,150,000 General Obligation Bonds, Series 2013A

Certification:

I, Terry Schwerm, City Manager of the City of Shoreview, Minnesota, do hereby certify the following:

Attached hereto is a true and correct copy of a resolution on file and of record in the offices of the City of Shoreview, Minnesota, which resolution was adopted by the Shoreview City Council, at the meeting referred to above. Said meeting was a regular meeting of the Shoreview City Council, was open to the public, and was held at the time at which meetings of the City Council are regularly held. Member \_\_\_\_\_ moved the adoption of the attached resolution. The motion for adoption of the attached resolution was seconded by Member \_\_\_\_\_. A vote being taken on the motion, the following voted in favor of the resolution:

\_\_\_\_\_

and the following voted against the resolution:

\_\_\_\_\_

Whereupon said resolution was declared duly passed and adopted. The attached resolution is in full force and effect and no action has been taken by the City Council of the City of Shoreview, Minnesota which would in any way alter or amend the attached resolution.

Witness my hand officially as the City Manager of the City of Shoreview, Minnesota this \_\_\_\_\_ day of January, 2013.

By \_\_\_\_\_  
Its City Manager

RESOLUTION AUTHORIZING ISSUANCE AND SALE OF \$4,150,000 GENERAL  
OBLIGATION BONDS, SERIES 2013A

BE IT RESOLVED by the City Council of the City of Shoreview, Minnesota (the  
“City”), as follows:

SECTION 1. PURPOSE. It is hereby determined to be in the best interests of the City to issue its General Obligation Bonds, Series 2013A, in the principal amount of approximately \$4,150,000 (the Bonds), pursuant to Minnesota Statutes, Sections 444.075 and 475.58 and Chapter 475, to finance the cost of certain street reconstruction projects in the City and improvements to the City’s water, sewer and storm sewer utilities.

SECTION 2. NOTICE OF SALE. Springsted Incorporated, financial advisor to the City, has presented to this Council a form of Notice of Sale for the Bonds which is attached hereto and hereby approved and shall be placed on file by the City Administrator. Each and all of the provisions of the Notice of Sale are hereby adopted as the terms and conditions of the Bonds and of the sale thereof. Springsted Incorporated, as independent financial advisor, pursuant to Minnesota Statutes, Section 475.60, Subdivision 2, paragraph (9), is hereby authorized to solicit bids for the Bonds on behalf of the City on a competitive basis without requirement of published notice.

SECTION 3. SALE MEETING. This Council shall meet at the time and place shown in the Notice of Sale for the purpose of considering sealed bids for the purchase of the Bonds and of taking such action thereon as may be in the best interests of the City.

SECTION 4. EFFECTIVE DATE. This resolution shall be in full force and effect from and after its passage.

PASSED AND APPROVED this 7<sup>th</sup> day of January, 2013.

THE CITY OF SHOREVIEW, MINNESOTA.



## CERTIFICATION OF MINUTES

Municipality: The City of Shoreview, Minnesota

Governing Body: City Council

Meeting: A meeting of the City Council of the City of Shoreview was held on the 7<sup>th</sup> day of January, 2013, at 7:00 p.m. at the City offices, 4600 Victoria Street North, Shoreview, Minnesota.

Members present:

Members absent:

Documents: Resolution No. 13-04 - Authorizing Issuance and Sale of \$3,555,000 General Obligation Refunding Bonds, Series 2013B

Certification:

I, Terry Schwerm, City Manager of the City of Shoreview, Minnesota, do hereby certify the following:

Attached hereto is a true and correct copy of a resolution on file and of record in the offices of the City of Shoreview, Minnesota, which resolution was adopted by the Shoreview City Council, at the meeting referred to above. Said meeting was a regular meeting of the Shoreview City Council, was open to the public, and was held at the time at which meetings of the City Council are regularly held. Member \_\_\_\_\_ moved the adoption of the attached resolution. The motion for adoption of the attached resolution was seconded by Member \_\_\_\_\_. A vote being taken on the motion, the following voted in favor of the resolution:

\_\_\_\_\_

and the following voted against the resolution:

\_\_\_\_\_

Whereupon said resolution was declared duly passed and adopted. The attached resolution is in full force and effect and no action has been taken by the City Council of the City of Shoreview, Minnesota which would in any way alter or amend the attached resolution.

Witness my hand officially as the City Manager of the City of Shoreview, Minnesota this \_\_\_\_\_ day of January, 2013.

By \_\_\_\_\_  
Its City Manager

RESOLUTION AUTHORIZING ISSUANCE AND SALE OF \$3,555,000 GENERAL  
OBLIGATION REFUNDING BONDS, SERIES 2013B

BE IT RESOLVED by the City Council of the City of Shoreview, Minnesota (the  
“City”), as follows:

SECTION 1. PURPOSE. It is hereby determined to be in the best interests of the City to issue its General Obligation Refunding Bonds, Series 2013B, in the aggregate principal amount of approximately \$3,555,000, pursuant to Minnesota Statutes, Chapter 475, to refund (a) in a current refunding the February 1, 2014 through February 1, 2016 maturities, aggregating \$505,000 in principal amount, of the City’s General Obligation Bonds, Series 2004A, dated, as originally issued, as of February 1, 2004; (b) in an advance refunding, the February 1, 2015 through February 1, 2020 maturities, aggregating \$760,000 in principal amount, of the City’s General Obligation Capital Improvement Plan Bonds, Series 2004C, dated, as originally issued, as of October 1, 2004; (c) in an advance refunding, the February 1, 2015 through February 1, 2022 maturities, aggregating \$785,000 in principal amount, of the City’s General Obligation Bonds, Series 2006A, dated, as originally issued, as of March 1, 2006 and (d) in an advance refunding, the February 1, 2016 through February 1, 2022 maturities, aggregating \$1,385,000 in principal amount, of the City’s General Obligation Street Reconstruction Bonds, Series 2006B, dated, as originally issued, as of June 1, 2006.

SECTION 2. NOTICE OF SALE. Springsted Incorporated, financial advisor to the City, has presented to this Council a form of Notice of Sale for the Bonds which is attached hereto and hereby approved and shall be placed on file by the City Administrator. Each and all of the provisions of the Notice of Sale are hereby adopted as the terms and conditions of the Bonds and of the sale thereof. Springsted Incorporated, as independent financial advisor, pursuant to Minnesota Statutes, Section 475.60, Subdivision 2, paragraph (9), is hereby authorized to solicit bids for the Bonds on behalf of the City on a competitive basis without requirement of published notice.

SECTION 3. SALE MEETING. This Council shall meet at the time and place shown in the Notice of Sale for the purpose of considering sealed bids for the purchase of the Bonds and of taking such action thereon as may be in the best interests of the City.

SECTION 4. EFFECTIVE DATE. This resolution shall be in full force and effect from and after its passage.

PASSED AND APPROVED this 7<sup>th</sup> day of January, 2013.

THE CITY OF SHOREVIEW, MINNESOTA.

# City of Shoreview, Minnesota

## Recommendations for Issuance of Bonds

*\$4,150,000 General Obligation Bonds, Series 2013A*

*\$3,555,000 General Obligation Refunding Bonds, Series 2013B*

The Council has under consideration the issuance of two series of bonds (i) the Series 2013A Bonds to fund various street and utility projects within the City and (ii) the Series 2013B Bonds to refund four outstanding general obligation bonds of the City. This document provides information relative to the proposed issuance.

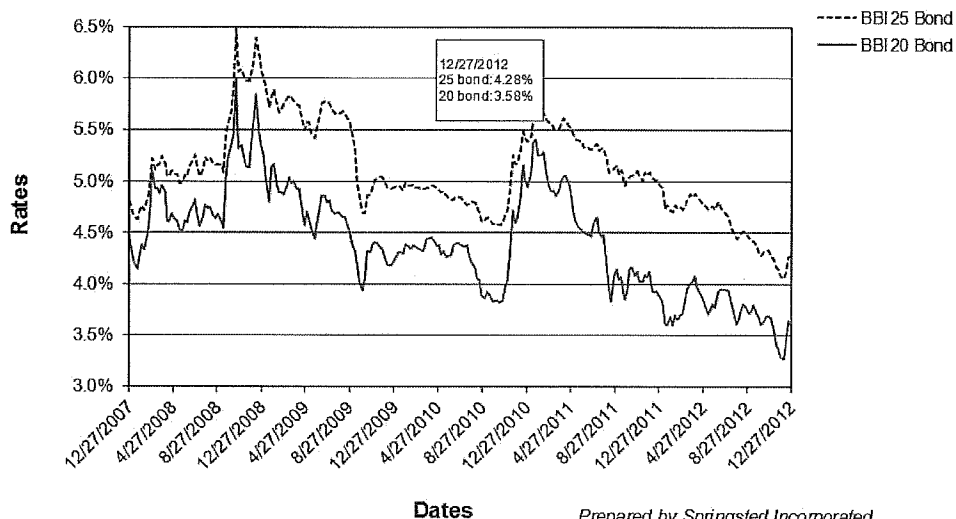
**KEY EVENTS:** The following summary schedule includes the timing of some of the key events that will occur relative to the bond issuance.

January 7, 2013	Council sets sale date and terms
Week of January 28, 2013	Rating conference conducted and receipt of rating
<b>February 4, 2013, 10:00 a.m.</b>	<b>Competitive proposals are received</b>
<b>February 4, 2013, 7:00 p.m.</b>	<b>Council considers award of bonds</b>
Early March 2013	Proceeds are received

**RATING:** An application will be made to Standard & Poor's Ratings Services for ratings on the Bonds. The City's general obligation debt is currently rated "AAA" by S&P.

**THE MARKET:** Performance of the tax-exempt market is often measured by the Bond Buyer's Index ("BBI") which measures the yield of high grade municipal bonds in the 20<sup>th</sup> year for general obligation bonds (the BBI 20 Bond Index) and the 30<sup>th</sup> year for revenue bonds (the BBI 25 Bond Index). The following chart illustrates these two indices over the past five years.

**BBI 25-bond (Revenue) and 20-bond (G.O.) Rates for 5 Years  
Ending 12/27/2012**



**POST ISSUANCE  
COMPLIANCE:**

The issuance of the Bonds will result in post-issuance compliance responsibilities. The responsibilities are in two primary areas: i) compliance with federal arbitrage requirements and ii) compliance with secondary disclosure requirements.

Federal arbitrage requirements include a wide range of implications that have been taken into account as your bond issues have been structured. Post-issuance compliance responsibilities for tax-exempt issues include both rebate and yield restriction provisions of the IRS Code. In general terms the arbitrage requirements control the earnings on unexpended bond proceeds, including investment earnings, moneys held for debt service payments (which are considered to be proceeds under the IRS regulations), and/or reserves. The arbitrage rules provide exceptions to the rebate provisions for bond proceeds that are spent within 6-months, 18-months or 24-months according to certain criteria.

For the Series 2013A Bonds, the City expects to meet the 18-month spending exception.

Since the Series 2013B Bonds includes a current refunding of one issue and an advance refunding of three issues, each portion will be treated independently of the other. The current refunding portion will meet the 6-month expenditure exception to rebate. The advance refunding portion will not qualify for a spending exception; however, since the proceeds of this portion will be placed in an escrow account in which the investment earnings cannot exceed the yield on the new issue, no arbitrage will be earned.

Yield restriction provisions will apply to the debt service fund and any project proceeds unspent after three years under certain conditions and the funds should be monitored throughout the life of each issue.

Secondary disclosure requirements result from an SEC requirement that underwriters provide ongoing disclosure information to investors. To meet this requirement, any prospective underwriter will require the City to commit to providing the information needed to comply under a continuing disclosure agreement.

Springsted currently provides arbitrage and continuing disclosure services to the City. A separate contract to provide these services for the Series 2013A and Series 2013B Bonds will be forwarded to the City.

**SUPPLEMENTAL  
INFORMATION AND  
BOND RECORD:**

Supplementary information will be available to staff including detailed terms and conditions of sale, comprehensive structuring schedules and information to assist in meeting post-issuance compliance responsibilities.

Upon completion of the financing, a bond record will be provided that contains pertinent documents and final debt service calculations for the transaction. In addition, individual debt service schedules by payment source will be provided.

**RISKS/SPECIAL  
CONSIDERATIONS:**

The outcome of this financing will rely on the market conditions at the time of the sale. Any projections included herein are estimates based on current market conditions.

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**\$4,150,000 General Obligation Bonds, Series 2013A**

**Description of Issue**

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<b>PURPOSE:</b>	Proceeds of the Series 2013A Bonds will be used to finance four street and utility projects within the City. The projects have been structured by statutory authority and source of funding. The projects have been identified as (i) the "Street Reconstruction Portion" and (ii) the "Utility Portion".
<b>AUTHORITY AND REQUIREMENTS:</b>	<p>The Series 2013A Bonds are being issued pursuant to Minnesota Statutes, Chapters 475 and 444.</p> <p><i>The Street Reconstruction Portion</i> is being issued pursuant to Minnesota Statutes, Section 475.58. In order for the City to issue obligations under this statute, the City must meet certain conditions, including having a five-year street reconstruction plan that describes the streets to be reconstructed, the estimated costs and any planned reconstruction of other streets in the City over the next five years.</p> <p><i>The Utility Portion</i> is being issued pursuant to Minnesota Statutes, Chapter 444 which requires that the City will covenant to maintain utility rates in an amount sufficient to generate revenues to support the operation of the utilities and to make the debt service payments on the Utility Portion and any other outstanding obligations payable from the utility funds. The City is required to annually review the budget for the Utilities to determine if current rates and charges are sufficient and to adjust such rates and charges if necessary.</p>
<b>SECURITY AND SOURCE OF PAYMENT:</b>	<p>The Series 2013A Bonds will be general obligations of the City, secured by its full faith and credit and taxing power.</p> <p><i>The Street Reconstruction Portion</i> will be repaid with ad valorem tax levies. The City levied \$126,000 in 2012 and plans on transferring \$116,000 from their current bond fund to pay the February 1, 2014 principal and interest due on the Street Reconstruction Portion. Thereafter, each year's tax levies will be used to make the August 1 interest payment due in the collection year and the February 1 principal and interest payment due the following year.</p> <p><i>The Utility Portion</i> will be repaid with net revenues of the City's water and surface water funds which will be used to pay debt service on the Utility Portion as it becomes due.</p>
<b>STRUCTURING SUMMARY:</b>	<p><i>The Street Reconstruction Portion</i> has been structured over a repayment term of 15 years with approximately level annual payments of debt service.</p> <p><i>The Utility Portion</i> has been structured by utility fund (water and surface water) each with a term of 10 years with approximately level annual payments of debt service.</p>
<b>SCHEDULES ATTACHED:</b>	Schedules attached for the Series 2013A Bonds include a detailed sources and uses and debt service schedules.
<b>SALE TERMS AND MARKETING:</b>	<u>Variability of Issue Size:</u> A specific provision in the sale terms permits modifications to the issue size and/or maturity structure to customize the issue once the price and interest rates are set on the day of sale.

Prepayment Provisions: Bonds maturing on or after February 1, 2024 may be prepaid at a price of par plus accrued interest on or after February 1, 2023.

Bank Qualification: The City does not expect to issue more than \$10 million in tax-exempt obligations that counts against the \$10 million limit for 2013; therefore, the Series 2013A Bonds are designated as bank qualified.

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## **\$3,555,000 General Obligation Refunding Bonds, Series 2013B**

### **Description of Issue**

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#### **PURPOSE:**

Proceeds of the Series 2013B Bonds will be used to refund the following outstanding bond issues of the City:

- General Obligation Bonds, Series 2004A, dated February 1, 2004 (the "2004A Bonds") and referred to as the (the "Current Refunding Portion");
- General Obligation Capital Improvement Plan Bonds, Series 2004C, dated October 1, 2004 (the "2004C Bonds");
- General Obligation Bonds, Series 2006A, dated March 1, 2006 (the "2006A Bonds"); and
- General Obligation Street Reconstruction Bonds, Series 2006B, dated June 1, 2006 (the "2006B Bonds").

Together the 2004C Bonds, the 2006A Bonds and the 2006B Bonds will be referred to as the "Advanced Refunding Portion".

Together the 2004A Bonds, 2004C Bonds, the 2006A Bonds and the 2006B Bonds will be referred to as the "Prior Bonds".

The table below under Structuring Summary provides the detail regarding the bond issues being refunded, the refunded maturities, call dates and projected savings resulting from the issuance of the Series 2013B Bonds. The purpose of these refunding transactions is to provide interest cost savings to the City.

#### **PRIOR BONDS:**

Description for the use of proceeds, statutory authority and source of payment for each of the Prior Bonds are as follow:

*2004A Bonds* – The 2004A Bonds were issued pursuant to Minnesota Statutes 475, 444 and 429. Proceeds were used to finance five improvement projects consisting of street, water, sewer and storm water improvements. The 2004A Bonds were paid with ad valorem property taxes, special assessments levied against benefited properties and net revenues of the City's water, sewer and surface water management utilities.

*2004C Bonds* – The 2004C Bonds were issued pursuant to Minnesota Statute 475 and Section 475.521. Proceeds were used to finance remodeling of the City's Fire Stations 3 and 4. The 2004C Bonds were paid with ad valorem property taxes.

*2006A Bonds* – The 2006A Bonds were issued pursuant to Minnesota Statutes 475, 444 and 429. Proceeds were used to finance four projects improvement projects consisting of



street, water, sewer and storm water improvements. The 2006A Bonds were paid with ad valorem property taxes, special assessments levied against benefited properties and net revenues of the City's water, sewer and surface water management utilities.

*2006B Bonds* – The 2006B Bonds were issued pursuant to Minnesota Statutes 475 and Section 475.58. Proceeds were used to finance the 2006 and 2007 rehabilitation/reclamation projects identified in the City's Street Reconstruction and Rehabilitation Plan for 2006-2010. The 2006B Bonds were paid with ad valorem property taxes.

**AUTHORITY:**

Statutory Authority:

The Bonds are being issued pursuant to Minnesota Statutes, Chapters 475, 444 and 429 and Sections 475.521 and 475.58.

Statutory Requirements:

Minnesota Statutes, Chapter 444 has certain statutory requirements which are detailed above under the Statutory Authority and Requirements for the Series 2013A Bonds.

Minnesota Statutes, Section 475.521 (Capital Improvement Plan) has a limitation on issue amount. Cities may issue general obligation capital improvement bonds as long as the maximum amount of the principal and interest to become due in any year on all outstanding bonds issued under this authority, including the bonds to be issued, cannot exceed an amount equal to 0.16% of the taxable market value of the property within the City. The City has one other bond issue issued under this authority; the Series 2010A Bonds. The total projected maximum annual calendar year debt service for all CIP debt is projected to be \$632,564.

<u>Market Value of Taxable Property for Taxes Payable in 2012</u>	<u>Statutory Principal &amp; Interest Limitation</u>	<u>Statutory Max Princ &amp; Interest</u>
\$2,568,566,800	0.16%	\$4,109,707

**SECURITY AND  
SOURCE OF  
PAYMENT:**

The Series 2013B Bonds will be general obligations of the City, secured by its full faith and credit and taxing power.

The Series 2013B Bonds will be repaid with ad valorem tax levies, special assessments levied against benefited properties, and net revenues of the City's water, sewer and surface water utility funds. The original payment sources and allocation for each of the Prior Bonds will be maintained as detailed above under Prior Bonds. The projected assessment income for the 2004A Bonds and 2006A Bonds was provided by the City.

**STRUCTURING  
SUMMARY:**

*The Current Refunding Portion* - On April 15, 2013, the call date, the City will use the proceeds of the Current Refunding Portion to redeem the Series 2004A Bonds. Beginning with the August 1, 2013 interest payment, the City will begin to make debt service payments on the Current Refunding Portion, realizing interest cost savings.

At the direction of the City, the Current Refunding Portion has been structured with a term matching that of the Series 2004A Bonds.

*The Advance Refunding Portion* - The issuance of the Advance Refunding Portion is being conducted as a "crossover" advance refunding in which the proceeds of the Advance Refunding Portion are placed in an escrow account with a major bank and invested in government securities. These investments and their earnings are structured to pay interest on the 2004C, 2006A and 2006B Bonds to and including through the respective call dates of each of these issues at which time the escrow account will prepay the principal due on the 2004C, 2006A and 2006B Bonds. The City will continue to pay the originally scheduled debt service payments on the 2004C, 2006A and 2006B Bonds through their respective call dates. After the call dates, the City will cross over and begin making debt service payments on the Advance Refunding Portion, taking advantage of the lower interest rates.

At the direction of the City, the Advance Refunding Portion has been structured with a term matching that of the Prior Bonds to provide for approximately even annual savings.

The table below shows the projected savings resulting from this refunding transaction:

Issue	Ref Type	Call Date	Refunded Maturities	Refunded		
				Principal	PV Savings	FV Savings
2004A	Current	4/1/2013	Feb 1, 2014 - 2016	\$505,000	\$15,188	\$16,425
2004C	Advanced	2/1/2014	Feb 1, 2015 - 2020	\$760,000	\$56,273	\$58,898
2006A	Advanced	2/1/2014	Feb 1, 2015 - 2022	\$785,000	\$68,706	\$69,763
2006B	Advanced	2/1/2015	Feb 1, 2016 - 2022	\$1,385,000	\$101,881	\$108,537
<b>TOTAL</b>				<b>\$3,435,000</b>	<b>\$242,048</b>	<b>\$253,623</b>

**SCHEDULES  
ATTACHED:**

Schedules attached for the Series 2013B Bonds include a refunding summary, debt service schedules for the 2013B Bonds as a whole and by prior bond issue, and debt service comparisons showing the projected savings.

**SALE TERMS AND  
MARKETING:**

Variability of Issue Size: A specific provision in the sale terms permits modifications to the issue size and/or maturity structure to customize the issue once the price and interest rates are set on the day of sale.

Prepayment Provisions: Based on the short duration of the Series 2013B Bonds, and to avoid possible negative pricing impacts, the bonds will not be subject to redemption prior to their stated maturities.

Bank Qualification: The City does not expect to issue more than \$10 million in tax-exempt obligations that counts against the \$10 million limit for 2013; therefore, the Series 2013B Bonds are designated as bank qualified.

**FEDERAL  
CONSIDERATIONS  
AND/OR  
REQUIREMENTS:**

The Advance Refunding portion may not again be advance refunded using tax exempt bonds. If market conditions permit, a current refunding could be done at or after the call date. Tax exempt advance refunding transactions have more restrictive federal arbitrage limitations than current refunding issues as they pertain to the escrow account. Coincident with the sale of the Bonds, a verification agent will be retained by the City to confirm that the refunding escrow is in compliance with federal yield restrictions and will also verify the adequacy of the escrow to satisfy its cash flow requirements.



**\$4,150,000**  
**City of Shoreview, Minnesota**  
**General Obligation Bonds, Series 2013A**

**Total Issue Sources And Uses**

**Dated 02/15/2013 | Delivered 02/15/2013**

	Street Recon Bonds	Water Revenue Bonds	Surface Water Revenue Bonds	Issue Summary
<b>Sources Of Funds</b>				
Par Amount of Bonds.....	\$2,500,000.00	\$810,000.00	\$840,000.00	\$4,150,000.00
<b>Total Sources.....</b>	<b>\$2,500,000.00</b>	<b>\$810,000.00</b>	<b>\$840,000.00</b>	<b>\$4,150,000.00</b>
<b>Uses Of Funds</b>				
Deposit to Project Fund - Street Rehabilitation ...	2,449,247.00	-	-	2,449,247.00
County Rd F, Demar, Floral Rehab.....	-	400,000.00	372,680.00	772,680.00
Red Fox Road Recon.....	-	209,016.00	328,946.00	537,962.00
Water Booster Station Rehab.....	-	180,000.00	-	180,000.00
Street Rehab.....	-	-	70,000.00	70,000.00
Lake Wabasso Pretreatment Structure.....	-	-	55,000.00	55,000.00
Costs of Issuance.....	25,753.00	8,343.98	8,653.02	42,750.00
Total Underwriter's Discount (1.000%).....	25,000.00	8,100.00	8,400.00	41,500.00
Rounding Amount.....	-	4,540.02	(3,679.02)	861.00
<b>Total Uses.....</b>	<b>\$2,500,000.00</b>	<b>\$810,000.00</b>	<b>\$840,000.00</b>	<b>\$4,150,000.00</b>



**\$4,150,000**

**City of Shoreview, Minnesota**  
General Obligation Bonds, Series 2013A

**DEBT SERVICE SCHEDULE**

Date	Principal	Coupon	Interest	Total P+I	105% P+I	Surface Water	Water Rev	Levy
02/01/2014	315,000.00	0.500%	50,782.72	365,782.72	384,071.86	93,468.51	93,044.66	197,558.69
02/01/2015	315,000.00	0.600%	51,262.50	366,262.50	384,575.63	93,431.63	92,990.63	198,153.38
02/01/2016	315,000.00	0.700%	49,372.50	364,372.50	382,591.13	92,927.63	92,486.63	197,176.88
02/01/2017	320,000.00	0.800%	47,167.50	367,167.50	385,525.88	92,339.63	91,898.63	201,287.63
02/01/2018	325,000.00	1.050%	44,607.50	369,607.50	388,087.88	96,917.63	91,226.63	199,943.63
02/01/2019	325,000.00	1.200%	41,195.00	366,195.00	384,504.75	95,980.50	90,344.63	198,179.63
02/01/2020	325,000.00	1.400%	37,295.00	362,295.00	380,409.75	94,909.50	89,336.63	196,163.63
02/01/2021	330,000.00	1.500%	32,745.00	362,745.00	380,882.25	93,660.00	88,160.63	199,061.63
02/01/2022	340,000.00	1.600%	27,795.00	367,795.00	386,184.75	97,571.25	92,150.63	196,462.88
02/01/2023	345,000.00	1.650%	22,355.00	367,355.00	385,722.75	96,059.25	90,722.63	198,940.88
02/01/2024	175,000.00	1.750%	16,662.50	191,662.50	201,245.63	-	-	201,245.63
02/01/2025	175,000.00	1.800%	13,600.00	188,600.00	198,030.00	-	-	198,030.00
02/01/2026	180,000.00	1.850%	10,450.00	190,450.00	199,972.50	-	-	199,972.50
02/01/2027	180,000.00	1.900%	7,120.00	187,120.00	196,476.00	-	-	196,476.00
02/01/2028	185,000.00	2.000%	3,700.00	188,700.00	198,135.00	-	-	198,135.00
Total	\$4,150,000.00	-	\$456,110.22	\$4,606,110.22	\$4,836,415.73	\$947,265.51	\$912,362.28	\$2,976,787.94

**SIGNIFICANT DATES**

Dated..... 2/15/2013  
Delivery Date..... 2/15/2013  
First Coupon Date..... 2/01/2014

**Yield Statistics**

Bond Year Dollars..... \$29,668.61  
Average Life..... 7.149 Years  
Average Coupon..... 1.5373494%  
  
Net Interest Cost (NIC)..... 1.6772279%  
True Interest Cost (TIC)..... 1.6773675%  
Bond Yield for Arbitrage Purposes..... 1.5266749%  
All Inclusive Cost (AIC)..... 1.8348866%

**IRS Form 8038**

Net Interest Cost..... 1.5373494%  
Weighted Average Maturity..... 7.149 Years

Interest rates are estimates. Changes in rates may cause significant alterations to this schedule.

The actual underwriter's discount bid may also vary.



**\$2,500,000**

**City of Shoreview, Minnesota**  
**General Obligation Bonds, Series 2013A**  
**Street Reconstruction Bonds**

**DEBT SERVICE SCHEDULE**

Date	Principal	Coupon	Interest	Total P+I	105% Levy
02/01/2014	155,000.00	0.500%	33,151.13	188,151.13	197,558.69
02/01/2015	155,000.00	0.600%	33,717.50	188,717.50	198,153.38
02/01/2016	155,000.00	0.700%	32,787.50	187,787.50	197,176.88
02/01/2017	160,000.00	0.800%	31,702.50	191,702.50	201,287.63
02/01/2018	160,000.00	1.050%	30,422.50	190,422.50	199,943.63
02/01/2019	160,000.00	1.200%	28,742.50	188,742.50	198,179.63
02/01/2020	160,000.00	1.400%	26,822.50	186,822.50	196,163.63
02/01/2021	165,000.00	1.500%	24,582.50	189,582.50	199,061.63
02/01/2022	165,000.00	1.600%	22,107.50	187,107.50	196,462.88
02/01/2023	170,000.00	1.650%	19,467.50	189,467.50	198,940.88
02/01/2024	175,000.00	1.750%	16,662.50	191,662.50	201,245.63
02/01/2025	175,000.00	1.800%	13,600.00	188,600.00	198,030.00
02/01/2026	180,000.00	1.850%	10,450.00	190,450.00	199,972.50
02/01/2027	180,000.00	1.900%	7,120.00	187,120.00	196,476.00
02/01/2028	185,000.00	2.000%	3,700.00	188,700.00	198,135.00
Total	\$2,500,000.00	-	\$335,036.13	\$2,835,036.13	\$2,976,787.94

**SIGNIFICANT DATES**

Dated..... 2/15/2013  
Delivery Date..... 2/15/2013  
First Coupon Date..... 2/01/2014



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**\$810,000**

**City of Shoreview, Minnesota**  
General Obligation Bonds, Series 2013A  
Water Revenue Bonds

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**DEBT SERVICE SCHEDULE**

Date	Principal	Coupon	Interest	Total P+I	105% DS
02/01/2014	80,000.00	0.500%	8,613.96	88,613.96	93,044.66
02/01/2015	80,000.00	0.600%	8,562.50	88,562.50	92,990.63
02/01/2016	80,000.00	0.700%	8,082.50	88,082.50	92,486.63
02/01/2017	80,000.00	0.800%	7,522.50	87,522.50	91,898.63
02/01/2018	80,000.00	1.050%	6,882.50	86,882.50	91,226.63
02/01/2019	80,000.00	1.200%	6,042.50	86,042.50	90,344.63
02/01/2020	80,000.00	1.400%	5,082.50	85,082.50	89,336.63
02/01/2021	80,000.00	1.500%	3,962.50	83,962.50	88,160.63
02/01/2022	85,000.00	1.600%	2,762.50	87,762.50	92,150.63
02/01/2023	85,000.00	1.650%	1,402.50	86,402.50	90,722.63
Total	\$810,000.00	-	\$58,916.46	\$868,916.46	\$912,362.28

**SIGNIFICANT DATES**

Dated..... 2/15/2013  
Delivery Date..... 2/15/2013  
First Coupon Date..... 2/01/2014



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**\$840,000**

**City of Shoreview, Minnesota**  
**General Obligation Bonds, Series 2013A**  
**Surface Water Revenue Bonds**

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**DEBT SERVICE SCHEDULE**

Date	Principal	Coupon	Interest	Total P+I	105% DS
02/01/2014	80,000.00	0.500%	9,017.63	89,017.63	93,468.51
02/01/2015	80,000.00	0.600%	8,982.50	88,982.50	93,431.63
02/01/2016	80,000.00	0.700%	8,502.50	88,502.50	92,927.63
02/01/2017	80,000.00	0.800%	7,942.50	87,942.50	92,339.63
02/01/2018	85,000.00	1.050%	7,302.50	92,302.50	96,917.63
02/01/2019	85,000.00	1.200%	6,410.00	91,410.00	95,980.50
02/01/2020	85,000.00	1.400%	5,390.00	90,390.00	94,909.50
02/01/2021	85,000.00	1.500%	4,200.00	89,200.00	93,660.00
02/01/2022	90,000.00	1.600%	2,925.00	92,925.00	97,571.25
02/01/2023	90,000.00	1.650%	1,485.00	91,485.00	96,059.25
Total	\$840,000.00	-	\$62,157.63	\$902,157.63	\$947,265.51

**SIGNIFICANT DATES**

Dated..... 2/15/2013  
Delivery Date..... 2/15/2013  
First Coupon Date..... 2/01/2014





\$3,555,000

City of Shoreview, Minnesota  
General Obligation Refunding Bonds, Series 2013B  
Current & Crossover Refunding of Series 04A, 04C, 06A, 06B

Refunding Summary

Dated 03/06/2013 | Delivered 03/06/2013

	Ref 2004A Bonds			Ref 2006A Bonds			Ref 2006B	Issue Summary
	Imp Portion	Water Portion	Surface Water Portion	Sewer Portion	Imp Portion	Water Portion	Sewer Portion	
<b>SOURCES OF FUNDS</b>								
Par Amount of Bonds.....	\$140,000.00	\$100,000.00	\$160,000.00	\$125,000.00	\$105,000.00	\$535,000.00	\$170,000.00	\$3,555,000.00
<b>TOTAL SOURCES.....</b>	<b>\$140,000.00</b>	<b>\$100,000.00</b>	<b>\$160,000.00</b>	<b>\$125,000.00</b>	<b>\$105,000.00</b>	<b>\$535,000.00</b>	<b>\$170,000.00</b>	<b>\$3,555,000.00</b>
<b>USES OF FUNDS</b>								
Deposit to Crossover Escrow Fund.....	136,007.22	95,703.51	156,158.82	120,896.22	100,786.34	524,466.60	166,408.77	3,475,119.98
Costs of Issuance.....	2,047.82	1,462.73	2,340.37	1,828.41	1,535.86	7,825.60	2,486.64	52,000.00
Total Underwriter's Discount (0.700%).....	980.00	700.00	1,120.00	875.00	735.00	3,745.00	1,190.00	24,885.00
Rounding Amount.....	964.96	2,133.76	380.81	1,400.37	1,942.80	(1,037.20)	(85.41)	2,995.02
<b>TOTAL USES.....</b>	<b>\$140,000.00</b>	<b>\$100,000.00</b>	<b>\$160,000.00</b>	<b>\$125,000.00</b>	<b>\$105,000.00</b>	<b>\$535,000.00</b>	<b>\$170,000.00</b>	<b>\$3,555,000.00</b>
<b>Flow of Funds Detail</b>								
State and Local Government Series (SLGS) rates for.....								
Date of OMP Candidates.....					12/27/2012	12/27/2012	12/27/2012	12/27/2012
<b>Primary Purpose Fund Solution Method.....</b>	<b>Gross Funded</b>	<b>Gross Funded</b>	<b>Gross Funded</b>	<b>Gross Funded</b>	<b>Net Funded</b>	<b>Net Funded</b>	<b>Net Funded</b>	<b>Net Funded</b>
Total Cost of Investments.....	\$136,007.22	\$95,703.51	\$156,158.82	\$120,896.22	\$765,362.56	\$524,466.60	\$166,408.77	\$3,475,119.98
Interest Earnings @ 0.200%.....	-	-	-	-	902.72	618.30	195.92	8,235.55
Total Draw s.....	\$136,007.22	\$95,703.51	\$156,158.82	\$120,896.22	\$766,265.28	\$525,084.90	\$166,604.69	\$3,483,355.53

**\$3,555,000**

**City of Shoreview, Minnesota**  
 General Obligation Refunding Bonds, Series 2013B  
 Current & Crossover Refunding of Series 04A, 04C, 06A, 06B

**Refunding Summary****Dated 03/06/2013 | Delivered 03/06/2013**

	Ref 2004A Bonds			Ref 2004C			Ref 2006A Bonds			Ref 2006B	Issue Summary
	Imp Portion	Water Portion	Surface Water Portion	Sewer Portion			Imp Portion	Water Portion	Sewer Portion		
<b>PV Analysis Summary (Net to Net)</b>											
Net PV Cashflow Savings @ 1.131% (Bond Yield).....	3,153.38	86.85	4,683.44	2,384.74	58,504.79		5,593.63	47,929.27	14,362.61	102,354.19	239,052.90
Contingency or Rounding Amount.....	964.96	2,133.76	380.81	1,400.37	(2,231.84)		1,942.80	(1,037.20)	(85.41)	(473.23)	2,995.02
Net Present Value Benefit.....	\$4,118.34	\$2,220.61	\$5,064.25	\$3,785.11	\$56,272.95		\$7,536.43	\$46,892.07	\$14,277.20	\$101,880.96	\$242,047.92
Net PV Benefit / \$3,435,000 Refunded Principal.....	3.051%	2.337%	3.267%	3.154%	7.404%		7.536%	9.018%	8.653%	7.356%	7.047%
Net PV Benefit / \$3,555,000 Refunding Principal.....	2.942%	2.221%	3.165%	3.028%	7.214%		7.178%	8.765%	8.398%	7.075%	6.809%
<b>Bond Statistics</b>											
Average Life.....	1.831 Years	1.603 Years	1.903 Years	1.863 Years	4.448 Years		4.808 Years	5.464 Years	5.403 Years	5.948 Years	4.876 Years
Average Coupon.....	0.5864843%	0.5644931%	0.5942860%	0.5911423%	0.9838898%		1.1222520%	1.1989416%	1.2055005%	1.2288951%	1.1351083%
Net Interest Cost (NIC).....	0.9687161%	1.0012348%	0.9621693%	0.9669251%	1.1412763%		1.2678567%	1.3270640%	1.3350635%	1.3465833%	1.2786669%
Bond Yield for Arbitrage Purposes.....	1.1312186%	1.1312186%	1.1312186%	1.1312186%	1.1312186%		1.1312186%	1.1312186%	1.1312186%	1.1312186%	1.1312186%
True Interest Cost (TIC).....	0.9735578%	1.0064335%	0.9689385%	0.9717539%	1.1443813%		1.2689766%	1.3287227%	1.3364795%	1.3485883%	1.2803067%
All Inclusive Cost (AIC).....	1.7956688%	1.9454849%	1.7583497%	1.7801624%	1.4880553%		1.5892175%	1.6119488%	1.6230121%	1.6092133%	1.5964862%

**\$3,555,000**

**City of Shoreview, Minnesota**  
General Obligation Refunding Bonds, Series 2013  
Current & Crossover Refunding of Series 04A, 04C, 06A, 06B

**DEBT SERVICE SCHEDULE**

Date	Principal	Coupon	Interest	Total P+I	105% P+I	Water	Surface Water	Sewer	Assmts	Levy
02/01/2014	195,000.00	0.500%	31,093.92	226,093.92	237,398.62	53,103.38	58,610.23	49,603.20	6,401.97	69,679.84
02/01/2015	415,000.00	0.550%	33,467.50	448,467.50	470,890.88	116,497.51	53,164.13	70,620.38	12,803.94	217,804.93
02/01/2016	580,000.00	0.650%	31,185.00	611,185.00	641,744.25	89,641.13	58,125.38	84,995.00	12,803.94	416,178.80
02/01/2017	425,000.00	0.800%	27,415.00	452,415.00	475,035.75	68,095.13		22,585.50	6,401.97	377,953.16
02/01/2018	435,000.00	0.950%	24,015.00	459,015.00	481,965.75	78,091.13		22,417.50	2,042.10	379,415.03
02/01/2019	440,000.00	1.100%	19,882.50	459,882.50	482,876.63	77,392.88		22,218.00	2,042.10	381,223.65
02/01/2020	440,000.00	1.250%	15,042.50	455,042.50	477,794.63	76,584.38		21,987.00	2,042.10	377,181.15
02/01/2021	305,000.00	1.450%	9,542.50	314,542.50	330,269.63	70,415.63		21,724.50	2,042.10	236,087.40
02/01/2022	320,000.00	1.600%	5,120.00	325,120.00	341,376.00	74,676.00		26,670.00	2,042.10	237,987.90
Total	\$3,555,000.00	-	\$196,763.92	\$3,751,763.92	\$3,939,352.12	\$704,497.14	\$169,899.74	\$322,821.08	\$48,622.32	\$2,693,511.84

**SIGNIFICANT DATES**

Dated.....  
Delivery Date.....  
First Coupon Date.....

3/06/2013  
3/06/2013  
8/01/2013

**Yield Statistics**

Bond Year Dollars.....  
Average Life.....  
Average Coupon.....

\$17,334.38  
4.876 Years  
1.1351083%

Net Interest Cost (NIC).....  
True Interest Cost (TIC).....  
Bond Yield for Arbitrage Purposes.....  
All Inclusive Cost (AIC).....

1.2786669%  
1.2803067%  
1.1312186%  
1.5964862%

IRS Form 8038  
Net Interest Cost.....  
Weighted Average Maturity.....

1.1351083%  
4.876 Years

Interest rates are estimates. Changes in rates may cause significant alterations to this schedule. The actual underwriter's discount bid may also vary.





**\$525,000**

**City of Shoreview, Minnesota**  
General Obligation Refunding Bonds, Series 2013B  
Current Refunding of Series 2004A

**DEBT SERVICE SCHEDULE**

Date	Principal	Coupon	Interest	Total P+I	105% P+I	Water	Surface Water	Sewer	Assmts	Levy
02/01/2014	195,000.00	0.500%	2,654.17	197,654.17	207,536.88	47,764.24	58,610.23	47,918.28	6,401.97	46,842.16
02/01/2015	180,000.00	0.550%	1,965.00	181,965.00	191,063.25	42,333.38	53,164.13	42,504.00	6,401.97	46,659.77
02/01/2016	150,000.00	0.650%	975.00	150,975.00	158,523.75	15,852.38	58,125.38	42,273.00	6,401.97	35,871.02
Total	\$525,000.00	-	\$5,594.17	\$530,594.17	\$557,123.88	\$105,950.00	\$169,899.74	\$132,695.28	\$19,205.91	\$129,372.95

**SIGNIFICANT DATES**

Dated Date..... 3/06/2013  
Delivery Date..... 3/06/2013  
First Coupon Date..... 8/01/2013

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**\$780,000**

**City of Shoreview, Minnesota**

General Obligation Capital Improvement Plan Refunding Bonds, Series 2013  
Crossover Refunding of Series 2004C

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**DEBT SERVICE SCHEDULE**

Date	Principal	Coupon	Interest	Total P+I	105% Levy
02/01/2014	-	-	6,265.28	6,265.28	6,578.54
02/01/2015	125,000.00	0.550%	6,940.00	131,940.00	138,537.00
02/01/2016	130,000.00	0.650%	6,252.50	136,252.50	143,065.13
02/01/2017	125,000.00	0.800%	5,407.50	130,407.50	136,927.88
02/01/2018	130,000.00	0.950%	4,407.50	134,407.50	141,127.88
02/01/2019	135,000.00	1.100%	3,172.50	138,172.50	145,081.13
02/01/2020	135,000.00	1.250%	1,687.50	136,687.50	143,521.88
Total	\$780,000.00	-	\$34,132.78	\$814,132.78	\$854,839.42

**SIGNIFICANT DATES**

Dated..... 3/06/2013  
Delivery Date..... 3/06/2013  
First Coupon Date..... 8/01/2013

**Yield Statistics**

Bond Year Dollars..... \$3,469.17  
Average Life..... 4.448 Years  
Average Coupon..... 0.9838898%  
  
Net Interest Cost (NIC)..... 1.1412763%  
True Interest Cost (TIC)..... 1.1443813%  
Bond Yield for Arbitrage Purposes..... 1.1312186%  
All Inclusive Cost (AIC)..... 1.4880553%

**IRS Form 8038**

Net Interest Cost..... 0.9838898%  
Weighted Average Maturity..... 4.448 Years

Interest rates are estimates. Changes in rates may  
cause significant alterations to this schedule.  
The actual underwriter's discount bid may also vary.



**\$810,000**

**City of Shoreview, Minnesota**  
General Obligation Refunding Bonds, Series 2013B  
Crossover Refunding of Series 2006A

**DEBT SERVICE SCHEDULE**

Date	Principal	Coupon	Interest	Total P+I	105% P+I	Water	Sewer	Assmts	Levy
02/01/2014	-	-	7,594.62	7,594.62	7,974.35	5,339.14	1,684.92		950.29
02/01/2015	110,000.00	0.550%	8,412.50	118,412.50	124,333.13	74,164.13	28,116.38	6,401.97	15,650.66
02/01/2016	100,000.00	0.650%	7,807.50	107,807.50	113,197.88	73,788.75	22,722.00	6,401.97	10,285.16
02/01/2017	100,000.00	0.800%	7,157.50	107,157.50	112,515.38	68,095.13	22,585.50	6,401.97	15,432.78
02/01/2018	100,000.00	0.950%	6,357.50	106,357.50	111,675.38	78,091.13	22,417.50	2,042.10	9,124.65
02/01/2019	100,000.00	1.100%	5,407.50	105,407.50	110,677.88	77,392.88	22,218.00	2,042.10	9,024.90
02/01/2020	100,000.00	1.250%	4,307.50	104,307.50	109,522.88	76,584.38	21,987.00	2,042.10	8,909.40
02/01/2021	95,000.00	1.450%	3,057.50	98,057.50	102,960.38	70,415.63	21,724.50	2,042.10	8,778.15
02/01/2022	105,000.00	1.600%	1,680.00	106,680.00	112,014.00	74,676.00	26,670.00	2,042.10	8,625.90
Total	\$810,000.00	-	\$51,782.12	\$861,782.12	\$904,871.22	\$598,547.14	\$190,125.80	\$29,416.41	\$86,781.88

**SIGNIFICANT DATES**

Dated Date.....  
Delivery Date.....  
First Coupon Date.....

3/06/2013  
3/06/2013  
8/01/2013

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**\$1,440,000**

**City of Shoreview, Minnesota**  
**General Obligation Refunding Bonds, Series 2013**  
**Crossover Refunding of Series 2006B**

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**DEBT SERVICE SCHEDULE**

Date	Principal	Coupon	Interest	Total P+I	105% Levy
02/01/2014	-	-	14,579.86	14,579.86	15,308.85
02/01/2015	-	-	16,150.00	16,150.00	16,957.50
02/01/2016	200,000.00	0.650%	16,150.00	216,150.00	226,957.50
02/01/2017	200,000.00	0.800%	14,850.00	214,850.00	225,592.50
02/01/2018	205,000.00	0.950%	13,250.00	218,250.00	229,162.50
02/01/2019	205,000.00	1.100%	11,302.50	216,302.50	227,117.63
02/01/2020	205,000.00	1.250%	9,047.50	214,047.50	224,749.88
02/01/2021	210,000.00	1.450%	6,485.00	216,485.00	227,309.25
02/01/2022	215,000.00	1.600%	3,440.00	218,440.00	229,362.00
Total	\$1,440,000.00	-	\$105,254.86	\$1,545,254.86	\$1,622,517.60

**SIGNIFICANT DATES**

Dated..... 3/06/2013  
Delivery Date..... 3/06/2013  
First Coupon Date..... 8/01/2013

**Yield Statistics**

Bond Year Dollars..... \$8,565.00  
Average Life..... 5.948 Years  
Average Coupon..... 1.2288951%

Net Interest Cost (NIC)..... 1.3465833%  
True Interest Cost (TIC)..... 1.3485883%  
Bond Yield for Arbitrage Purposes..... 1.1312186%  
All Inclusive Cost (AIC)..... 1.6092133%

**IRS Form 8038**

Net Interest Cost..... 1.2288951%  
Weighted Average Maturity..... 5.948 Years

**Interest rates are estimates. Changes in rates may  
cause significant alterations to this schedule.  
The actual underwriter's discount bid may also vary.**



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**\$3,555,000**

**City of Shoreview, Minnesota**

General Obligation Refunding Bonds, Series 2013B

Current & Crossover Refunding of Series 04A, 04C, 06A, 06B

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**Debt Service Comparison**

Date	Total P+I	Escrow	Existing D/S	Net New D/S	Old Net D/S	Savings
02/01/2014	226,093.92	(1,573,439.76)	2,036,347.50	689,001.67	684,667.50	(4,334.17)
02/01/2015	448,467.50	(1,401,150.00)	1,613,280.00	660,597.50	685,177.50	24,580.00
02/01/2016	611,185.00	-	-	611,185.00	654,480.00	43,295.00
02/01/2017	452,415.00	-	-	452,415.00	488,900.00	36,485.00
02/01/2018	459,015.00	-	-	459,015.00	493,530.00	34,515.00
02/01/2019	459,882.50	-	-	459,882.50	492,120.00	32,237.50
02/01/2020	455,042.50	-	-	455,042.50	489,875.00	34,832.50
02/01/2021	314,542.50	-	-	314,542.50	341,830.00	27,287.50
02/01/2022	325,120.00	-	-	325,120.00	348,850.00	23,730.00
Total	\$3,751,763.92	(2,974,589.76)	\$3,649,627.50	\$4,426,801.67	\$4,679,430.00	\$252,628.33

**PV Analysis Summary (Net to Net)**

Net FV Cashflow Savings.....	252,628.33
Gross PV Debt Service Savings.....	239,052.90
Net PV Cashflow Savings @ 1.131%(Bond Yield).....	239,052.90
Contingency or Rounding Amount.....	2,995.02
Net Future Value Benefit.....	\$255,623.35
Net Present Value Benefit.....	\$242,047.92
Net PV Benefit / \$501,572.51 PV Refunded Interest.....	48.258%
Net PV Benefit / \$3,749,978.50 PV Refunded Debt Service.....	6.455%
Net PV Benefit / \$3,435,000 Refunded Principal.....	7.047%
Net PV Benefit / \$3,555,000 Refunding Principal.....	6.809%

**Refunding Bond Information**

Refunding Dated Date.....	3/06/2013
Refunding Delivery Date.....	3/06/2013



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**\$525,000**

**City of Shoreview, Minnesota**  
General Obligation Refunding Bonds, Series 2013  
Current Refunding of Series 2004A

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**Debt Service Comparison**

Date	Total P+I	Net New D/S	Old Net D/S	Savings
02/01/2014	197,654.17	197,654.17	193,320.00	(4,334.17)
02/01/2015	181,965.00	181,965.00	192,195.00	10,230.00
02/01/2016	150,975.00	150,975.00	155,625.00	4,650.00
Total	\$530,594.17	\$530,594.17	\$541,140.00	\$10,545.83

**PV Analysis Summary (Net to Net)**

Net FV Cashflow Savings.....	10,545.83
Gross PV Debt Service Savings.....	10,308.41
Net PV Cashflow Savings @ 1.131%(Bond Yield).....	10,308.41
Contingency or Rounding Amount.....	5,592.34
Net Future Value Benefit.....	\$16,138.17
Net Present Value Benefit.....	\$15,900.75
Net PV Benefit / \$35,614.65 PV Refunded Interest.....	44.647%
Net PV Benefit / \$530,187.13 PV Refunded Debt Service.....	2.999%
Net PV Benefit / \$505,000 Refunded Principal.....	3.149%
Net PV Benefit / \$525,000 Refunding Principal.....	3.029%

**Refunding Bond Information**

Refunding Dated Date.....	3/06/2013
Refunding Delivery Date.....	3/06/2013



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**\$780,000**

**City of Shoreview, Minnesota**

General Obligation Capital Improvement Plan Refunding Bonds, Series 2013  
Crossover Refunding of Series 2004C

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**Debt Service Comparison**

Date	Total P+I	PCF	Existing D/S	Net New D/S	Old Net D/S	Savings
02/01/2014	6,265.28	(766,265.28)	903,442.50	143,442.50	143,442.50	-
02/01/2015	131,940.00	-	-	131,940.00	144,537.50	12,597.50
02/01/2016	136,252.50	-	-	136,252.50	145,340.00	9,087.50
02/01/2017	130,407.50	-	-	130,407.50	140,900.00	10,492.50
02/01/2018	134,407.50	-	-	134,407.50	146,340.00	11,932.50
02/01/2019	138,172.50	-	-	138,172.50	146,140.00	7,967.50
02/01/2020	136,687.50	-	-	136,687.50	145,740.00	9,052.50
Total	\$814,132.78	(766,265.28)	\$903,442.50	\$951,310.00	\$1,012,440.00	\$61,130.00

**PV Analysis Summary (Net to Net)**

Net FV Cashflow Savings.....	61,130.00
Gross PV Debt Service Savings.....	58,504.79
Net PV Cashflow Savings @ 1.131%(Bond Yield).....	58,504.79
Contingency or Rounding Amount.....	(2,162.68)
Net Future Value Benefit.....	\$58,967.32
Net Present Value Benefit.....	\$56,342.11
Net PV Benefit / \$104,922.96 PV Refunded Interest.....	53.699%
Net PV Benefit / \$827,268.62 PV Refunded Debt Service.....	6.811%
Net PV Benefit / \$760,000 Refunded Principal.....	7.413%
Net PV Benefit / \$780,000 Refunding Principal.....	7.223%

**Refunding Bond Information**

Refunding Dated Date.....	3/06/2013
Refunding Delivery Date.....	3/06/2013



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**\$810,000**

**City of Shoreview, Minnesota**  
General Obligation Refunding Bonds, Series 2013  
Crossover Refunding of Series 2006A

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**Debt Service Comparison**

Date	Total P+I	PCF	Existing D/S	Net New D/S	Old Net D/S	Savings
02/01/2014	7,594.62	(792,594.62)	903,225.00	118,225.00	118,225.00	-
02/01/2015	118,412.50	-	-	118,412.50	120,165.00	1,752.50
02/01/2016	107,807.50	-	-	107,807.50	121,835.00	14,027.50
02/01/2017	107,157.50	-	-	107,157.50	118,320.00	11,162.50
02/01/2018	106,357.50	-	-	106,357.50	114,710.00	8,352.50
02/01/2019	105,407.50	-	-	105,407.50	116,100.00	10,692.50
02/01/2020	104,307.50	-	-	104,307.50	112,250.00	7,942.50
02/01/2021	98,057.50	-	-	98,057.50	108,350.00	10,292.50
02/01/2022	106,680.00	-	-	106,680.00	114,400.00	7,720.00
Total	\$861,782.12	(792,594.62)	\$903,225.00	\$972,412.50	\$1,044,355.00	\$71,942.50

**PV Analysis Summary (Net to Net)**

Net FV Cashflow Savings.....	71,942.50
Gross PV Debt Service Savings.....	67,885.51
Net PV Cashflow Savings @ 1.131%(Bond Yield).....	67,885.51
Contingency or Rounding Amount.....	892.08
Net Future Value Benefit.....	\$72,834.58
Net Present Value Benefit.....	\$68,777.59
Net PV Benefit / \$134,853.09 PV Refunded Interest.....	51.002%
Net PV Benefit / \$872,706.80 PV Refunded Debt Service.....	7.881%
Net PV Benefit / \$785,000 Refunded Principal.....	8.761%
Net PV Benefit / \$810,000 Refunding Principal.....	8.491%

**Refunding Bond Information**

Refunding Dated Date.....	3/06/2013
Refunding Delivery Date.....	3/06/2013





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**\$1,440,000**

**City of Shoreview, Minnesota**  
**General Obligation Refunding Bonds, Series 2013**  
**Crossover Refunding of Series 2006B**

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**Debt Service Comparison**

Date	Total P+I	PCF	Existing D/S	Net New D/S	Old Net D/S	Savings
02/01/2014	14,579.86	(14,579.86)	229,680.00	229,680.00	229,680.00	-
02/01/2015	16,150.00	(1,401,150.00)	1,613,280.00	228,280.00	228,280.00	-
02/01/2016	216,150.00	-	-	216,150.00	231,680.00	15,530.00
02/01/2017	214,850.00	-	-	214,850.00	229,680.00	14,830.00
02/01/2018	218,250.00	-	-	218,250.00	232,480.00	14,230.00
02/01/2019	216,302.50	-	-	216,302.50	229,880.00	13,577.50
02/01/2020	214,047.50	-	-	214,047.50	231,885.00	17,837.50
02/01/2021	216,485.00	-	-	216,485.00	233,480.00	16,995.00
02/01/2022	218,440.00	-	-	218,440.00	234,450.00	16,010.00
Total	\$1,545,254.86	(1,415,729.86)	\$1,842,960.00	\$1,972,485.00	\$2,081,495.00	\$109,010.00

**PV Analysis Summary (Net to Net)**

Net FV Cashflow Savings.....	109,010.00
Gross PV Debt Service Savings.....	102,354.19
Net PV Cashflow Savings @ 1.131%(Bond Yield).....	102,354.19
Contingency or Rounding Amount.....	58.87
Net Future Value Benefit.....	\$109,068.87
Net Present Value Benefit.....	\$102,413.06
Net PV Benefit / \$226,181.81 PV Refunded Interest.....	45.279%
Net PV Benefit / \$1,519,815.94 PV Refunded Debt Service.....	6.739%
Net PV Benefit / \$1,385,000 Refunded Principal.....	7.394%
Net PV Benefit / \$1,440,000 Refunding Principal.....	7.112%

**Refunding Bond Information**

Refunding Dated Date.....	3/06/2013
Refunding Delivery Date.....	3/06/2013



PROPOSED MOTION

MOVED BY COUNCILMEMBER \_\_\_\_\_

SECONDED BY COUNCILMEMBER \_\_\_\_\_

to approve Resolution No. 13-01, receiving the Feasibility Report for the Gaston, Grove, St. Albans Neighborhood Water Main Extension, City Projects 13-03 and calling for a Public Hearing to be held on February 4, 2013 at 7:00 p.m., on the proposed improvements.

ROLL CALL:	AYES	NAYS
JOHNSON	_____	_____
QUIGLEY	_____	_____
WICKSTROM	_____	_____
WITHHART	_____	_____
MARTIN	_____	_____

REGULAR COUNCIL MEETING  
JANUARY 7, 2013

TO: MAYOR, CITY COUNCIL, CITY MANAGER

FROM: TOM WESOLOWSKI, CITY ENGINEER

DATE: JANUARY 2, 2013

SUBJECT: RECEIVE FEASIBILITY REPORT AND CALL FOR PUBLIC HEARING  
FOR THE GASTON, GROVE, ST. ALBANS NEIGHBORHOOD  
WATER MAIN EXTENSION, CITY PROJECT 12-01

### **Introduction**

On November 19, 2012, the City Council directed the City Engineer to prepare a Feasibility Report describing the proposed public infrastructure improvements for the Grove, Gaston, St. Albans Neighborhood Water Main Extension, City Project 13-03. See attached map for location. The Feasibility Report reflects that determination. Pursuant to the Chapter 429 Improvement Process, it is necessary that the City Council receive the Feasibility Report and call for a Public Hearing.

### **Discussion**

Currently a majority of the properties located along Gaston Avenue, Grove Avenue, and St. Albans do not have access to City water. A map showing the location of these properties is attached. Water main was installed on Hodgson Road in 1979 and stubbed into Grove and Gaston Avenues, but was not installed within neighborhood.

In an effort to provide residents a safe and reliable source of water and improve public safety, over the past several years the City has emphasized the extension of water main and services into neighborhoods that did not have access to City water. Due to these projects the number of residential neighborhoods without access to City water has been significantly reduced. The Gaston, Grove, St. Albans neighborhood is one of the last remaining areas with a high concentration of residential homes that are not served by City water.

The City's 2013 Capital Improvement Plan includes a project to rehabilitate local street segments at various locations throughout the City. Based on the condition of the pavement it was determined that Gaston Avenue, Grove Avenue, and St. Albans from Gaston to Grove should be included in the project. As per the City's Street Renewal Policy, all underground utility systems required to service the area must be installed prior to the implementation of major street improvements. Given the requirement of this policy, City water would need to be installed within the neighborhood prior to the rehabilitation of the streets.

An informational meeting was held on November 8, 2012 for the residents that currently are not served by City water. Residents were provided information on typical construction associated with water main installation and street rehabilitation, the City's assessment policy, estimated assessment, and the feasibility study and public hearing process.

The Feasibility Report discusses the proposed improvements, estimated costs, funding sources and project schedule. The proposed improvements include the installation of water main, associated gate valves and hydrants, one-inch copper services from the water main to the property lines, and curb stops.

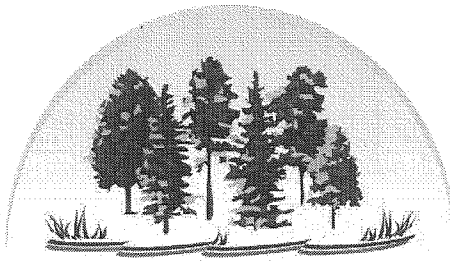
The project cost to install the water main and services within the public right of way is estimated at \$98,000. The proposed improvements would be funded by special assessments to the benefitting properties.

The information included in the Feasibility Report has shown that the proposed Gaston, Grove, St. Albans Neighborhood Water Main Extension Project is technically and financially feasible and that installation of the water main will directly benefit the 14 residential lots by providing them with access to City water.

The feasibility report contains design concepts and recommendations and is not intended to present a detailed design for the proposed project. The development of final plans and specifications typically follows the Public Improvement Hearing after residents are given a chance to address the Council with their comments and/or concerns.

### **Recommendation**

It is recommended that the City Council receive the Feasibility Report for City Project 13-03 and call for a Public Hearing on February 4, 2013.



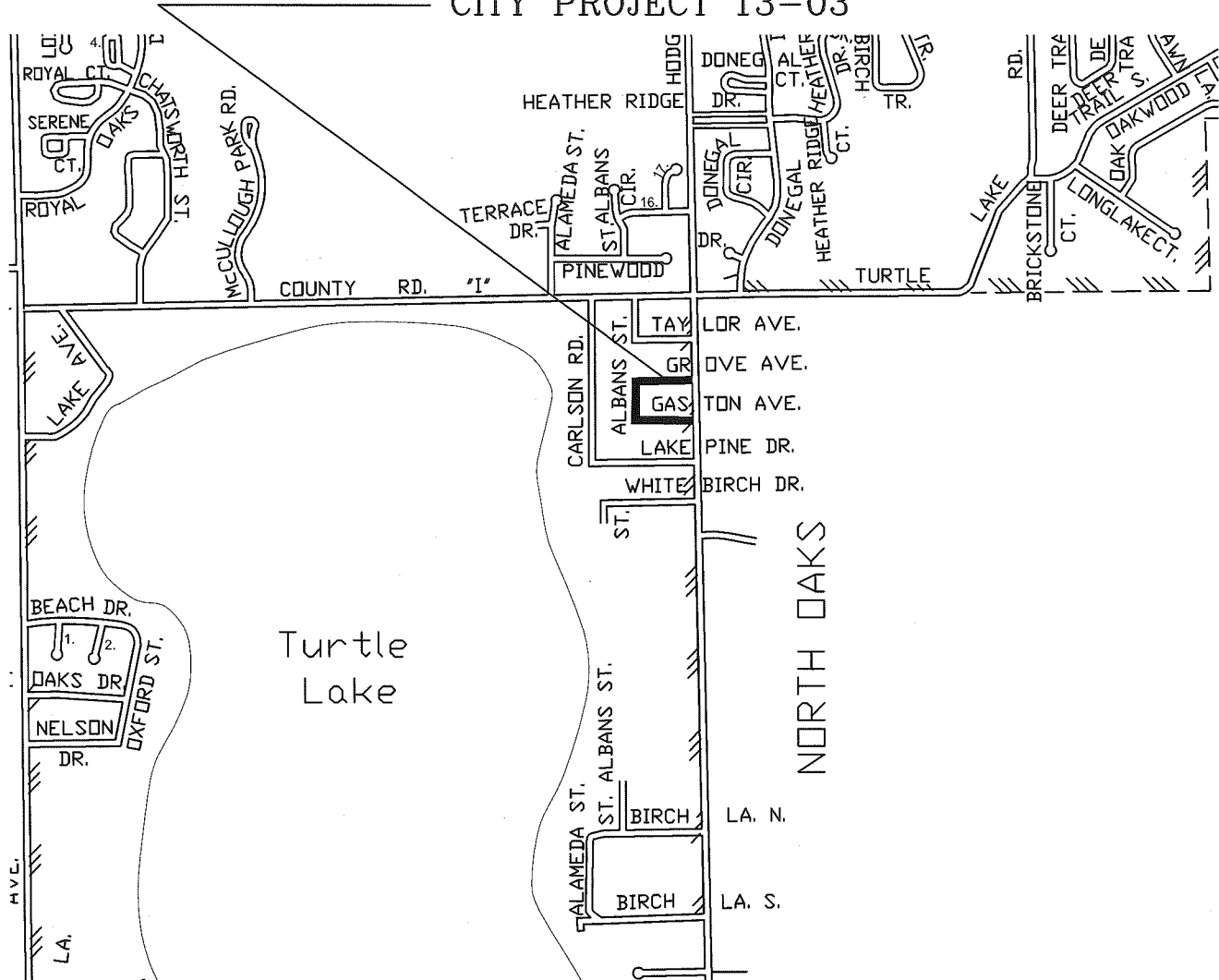
# Shoreview

## CITY OF SHOREVIEW

GROVE AVE. GASTON AVE.  
AND ST. ALBANS ST.

WATERMAIN EXTENSION

CITY PROJECT 13-03



LOCATION MAP  
EXHIBIT 1  
DECEMBER 2012



NO SCALE



DISCLAIMER: This map is neither a legally recorded map nor a survey and is not intended to be used as one. This map is a compilation of records, information and data located in various city, county, state and federal offices and other sources regarding the area shown, and is to be used for reference purposes only.

SOURCES: Ramsey County (June 4, 2012). The Lawrence Group; June 4, 2012 for County parcel and property records data; June 2012 for commercial and residential data; April 2009 for color aerial imagery. All other

**EXTRACT OF MINUTES OF MEETING OF THE  
CITY COUNCIL OF SHOREVIEW, MINNESOTA**

**HELD JANUARY 7, 2013**

\* \* \* \* \*

Pursuant to due call and notice thereof, a meeting of the City Council of the City of Shoreview, was duly called at the Shoreview City Hall in said City on January 7, 2012 at 7:00 p.m. The following members were present:

;

and the following members were absent:

Council member introduced the following resolution and moved its adoption.

**RESOLUTION NO. 13-01**

**RECEIVING FEASIBILITY REPORT AND  
CALLING FOR PUBLIC IMPROVEMENT HEARING  
FOR THE  
GASTON, GROVE, ST. ALBANS NEIGHBORHOOD  
WATER MAIN EXTENSION  
CITY PROJECT 13-03**

WHEREAS, properties in the Grove, Gaston, St. Albans neighborhood are not currently served by City water; and

WHEREAS, it is proposed to install water main, water services, and associated items;  
and

WHEREAS, pursuant to a resolution adopted by the City Council of Shoreview on November 19, 2013, a Feasibility Report has been prepared by the City Engineer with reference to the said water main extension; and

WHEREAS, the Feasibility Report was received by the Council on January 7, 2013.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF  
SHOREVIEW, MINNESOTA:

1. That the improvements for City Project 13-03, as generally described in the report, are hereby found to be necessary and cost-effective.

2. That the City Council will consider the water main extension in accordance with the report and the assessments of abutting property for all or a portion of the cost of the improvement pursuant to Minnesota Statutes Chapter 429 at an estimated cost of the improvements of \$ 98,000.
3. A Public Hearing shall be held for City Project 13-03 on such proposed improvement on February 4, 2013, in the City Council Chambers of the City Hall at 7:00 p.m., local time, and the City Manager shall give mailed and published notice of such hearing and improvement as required by law.

The motion for the adoption of the foregoing resolution was duly seconded by Member and upon vote being taken thereon, the following voted in favor thereof:  
and the following voted against the same:

WHEREUPON, said resolution was declared duly passed and adopted this 7<sup>th</sup> day of January, 2013.

STATE OF MINNESOTA     )  
  )  
COUNTY OF RAMSEY     )  
  )  
CITY OF SHOREVIEW     )

I, the undersigned, being the duly qualified and acting Manager of the City of Shoreview of Ramsey County, Minnesota, do hereby certify that I have carefully compared the attached and foregoing extract of minutes of a meeting of said City Council held on the 7<sup>th</sup> day of January 2013, with the original thereof on file in my office and the same is a full, true and complete transcript therefrom insofar as the same relates to receiving the Feasibility Report for City Project 13-03 and calling for a public hearing.

WITNESS MY HAND officially as such Manager and the corporate seal of the City of Shoreview, Minnesota, this 8<sup>th</sup> day of January 2013.

SEAL

---

Terry Schwerm  
City Manager





**City of Shoreview**

**Feasibility Study & Report**

**For**

**Gaston, Grove, and St. Albans  
Neighborhood  
Water Main Extension**

**City Project 13-03**

**January 7, 2013**

## Table of Contents

Title	Page
I. Introduction.....	1
II. Existing Conditions.....	1
III. Proposed Improvements and Associated Costs.....	3
IV. Estimated Assessments and Funding Sources.....	5
V. Project Schedule.....	5
VII. Conclusions and Recommendations.....	6

Exhibit 1 – Project Location Map

Appendix A – Cost Estimate

Appendix B – Proposed Assessments

**Feasibility Study and Report**  
**For**  
**Gaston, Grove, St. Albans Neighborhood**  
**Water Main Extension**

**City Project 13-03**  
**City of Shoreview, Minnesota**  
**January 7, 2013**

I hereby certify that this plan, specification, or report was prepared by me or under my direct supervision and that I am a duly Licensed Professional Engineer under the laws of the State of Minnesota.

\_\_\_\_\_  
Thomas E. Wesolowski, PE  
Registration No. 40245

Date \_\_\_\_\_

Acknowledgement –Glen Hoffard, Senior Engineering Technician, City of Shoreview, assisted with the mapping and cost estimates.

# I. Introduction

This report consists of the exploration of extending public water main into the Gaston, Grove, St. Albans neighborhood. The City Council of Shoreview ordered the preparation of a feasibility report on November 19, 2012 for the Gaston, Grove, St. Albans Neighborhood Water Main Extension, City Project 13-03. The proposed project would include the installation of water main, water services, and curb stops to the properties located along Gaston Avenue, Grove Avenue, and St. Albans Street from Gaston Ave. to Grove Ave. that are not currently served by City water.

The neighborhood consists of single-family homes and the area is zoned as a residential district (R-1). Currently there are 14 lots within the Gaston, Grove, St. Albans neighborhood that do not have access to City water. A location map showing the area is attached at the end of this report as Exhibit 1. The neighborhood is one of the last remaining areas in the City with a high concentration of residential homes that do not have access to City water.

The City's 2013 Capital Improvement Plan includes a project to rehabilitate local street segments at various locations throughout the City. Based on the condition of the pavement it was determined that Gaston Avenue, Grove Avenue, and St. Albans from Gaston to Grove should be included in the project. As per the City's Street Renewal Policy, all underground utility systems required to service the area must be installed prior to the implementation of major street improvements. Given the requirement of this policy, City water would need to be installed within the neighborhood prior to the rehabilitation of the streets.

City staff conducted a neighborhood meeting on November 8, 2012 regarding the potential water main extension project. Residents were provided information on typical construction associated with water main installation, the City's assessment policy, estimated assessments, and the feasibility study and public hearing process.

This report was prepared by the Shoreview Public Works Department, and addresses the existing conditions, proposed improvements, and estimated cost of the improvements. If this feasibility report is received and improvements subsequently ordered, the work would be completed during the 2013 construction season. City staff will conduct all design work surveying, construction inspection, and contract administration for the project.

## II. Existing Conditions

### *Streets*

Gaston and Grove Avenues, and St. Albans Street consist of 32-foot wide bituminous surface roadways with surmountable style concrete curb and gutter. The pavement surface is in poor condition with major distresses including cracking, settlement, and patching. The concrete curb and gutter is good condition overall.



*Typical view of asphalt surface within project area*

### *Water Main*

Existing 6-inch water main is stubbed west onto Gaston and Grove Avenues from Hodgson Road. The water main was installed in 1979 and hydrants were placed near the ends of the stubs to facilitate flushing.

### ***Sanitary Sewer***

All existing lots within the project area are served by the City's sanitary sewer collection system, which is located at the centerline of the roadways. Sanitary sewer for Gaston, Grove, and St. Albans is routed to the north of Grove Avenue along properties lines to collection pipe located on Taylor Avenue. The existing sanitary sewer main that serves the project area consists of 9-inch vitrified clay pipe (VCP). The City is currently not aware of any problems with the sanitary sewer.

### ***Storm Sewer***

Surface water runoff is collected in the concrete gutter and routed to an inlet located at the northwest intersection of Grove Avenue and St. Albans Street. Underground pipes transport the runoff to an outlet located on Turtle Lake.

## **III. Proposed Improvements and Associated Costs**

The proposed improvements would provide water service to the entire neighborhood (14 residential properties) that currently do not have access to City water. These improvements are described in more detail below:

### ***Streets***

The existing road surface would be rehabilitated as part of the City's 2013 street rehabilitation project. It is proposed to rehabilitate the street by reclaiming the existing bituminous pavement, grading of the aggregate material to ensure a crown for proper drainage, addition of an emulsion to stabilize the reclaimed material, and paving a new bituminous surface. Curb and gutter in isolated areas that does not drain properly may also be replaced.

### ***Water Main***

City staff is proposing the installation of 1100-linear feet of 6-inch High Density Polyethylene (HDPE) water main, within existing right of way, to connect the existing dead-end stubs located on Gaston and Grove Avenues. Gate valves and hydrants would be installed as required. Curb stops and one-inch copper water services would be installed within the right of way to all 14 properties that currently are not served by City water.

Connecting the existing stubs will remove two dead-ends from the water system. The elimination of dead-ends improves the overall performance of the distribution system by equalizing flow and pressure, which insures proper disinfectant is received at the tap and also improves fire flow.

The HDPE water main would be installed using directional drilling, which allows the installation of water main with minimal surface disruption.

### ***Sanitary Sewer***

City staff has contracted with an independent company to televise the sanitary sewer main located on Gaston and Grove Avenues and St. Albans Street to identify segments in need of repair or replacement. The televised inspection has not been completed at the time of this report. Once the televised reports are received, City staff will review the condition of the sanitary sewer and determine if repairs are required.

Many deficiencies can be corrected by the installation of a cured-in-place liner, which would restore the integrity of the sewer main. A cured-in-place liner does not require excavation of the sewer main and can be installed by access through the existing manholes. Therefore, if deficiencies can be corrected by lining, this work would be performed independent of this project and will be included in a future City wide lining project.

### ***Storm Sewer***

The existing storm water collection system within the neighborhood is functioning properly and City staff is not recommending any storm water improvements as part of this project.

### **Project Costs**

A detailed cost estimate is included in Appendix A of this report. The cost estimate is based on construction prices experienced for similar improvements and includes an additional 10% to cover non-construction costs associated with the project such as; engineering, legal, administrative costs, and construction contingencies. Only the costs associated with installation of the water main and associated items are included in the cost estimate. The cost associated with the road rehabilitation will be included in the City's 2013 Street Rehabilitation project.

**Total Project Cost**

**\$ 98,000**

## **IV. Estimated Assessments and Funding Sources**

### **Assessments**

Assessments proposed for improvements are administered in accordance with Minnesota Statutes, Chapter 429 and the City of Shoreview Street Renewal Program Unit Assessment Policy dated March 7, 1986.

Appendix B has a detailed map and list of residential properties with proposed assessments for the improvements. The payback period for assessments related to water improvements is typically 15-years.

It is estimated the 14 single family residential properties benefitted by this project will each be assessed \$7829, which includes an \$829 source and supply fee for new connections to the water system.

### **Funding Sources**

The proposed improvements would be funded by special assessments.

Water	
Assessments/Bonding	\$ 98,000

## **V. Project Schedule**

Assuming receipt of this report by the City Council, the proposed project schedule will be as follows:

Council Receives Feasibility Report	January 7, 2013
Public Improvement Hearing	February 4, 2013
Council Approve Plans and Specifications	*February 19, 2013
Bid Opening	*March 14, 2013
Council Award Contract	*March 18, 2013
Construction Start	May 2013
Construction Complete	June 2013
Assessment Hearing	June 2014

*\*Due to the size of the project it is likely the water main installation would be included with another City construction project to gain an economy of scale.*



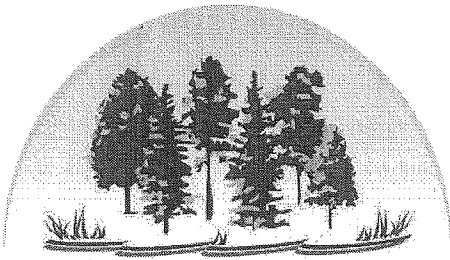
## **VI. Conclusions and Recommendations**

### ***Conclusions***

1. The proposed improvement is technically and financially feasible.
2. The installation of water main in this neighborhood would provide water service to 14 residential lots that currently are not served by City water.
3. The estimated project cost for the proposed improvement is \$98,000.

### ***Recommendations***

1. Proceed with improvements as proposed in this report.
2. Schedule a public hearing for City Project 13-03 on February 4, 2013 at the regularly scheduled City Council meeting.



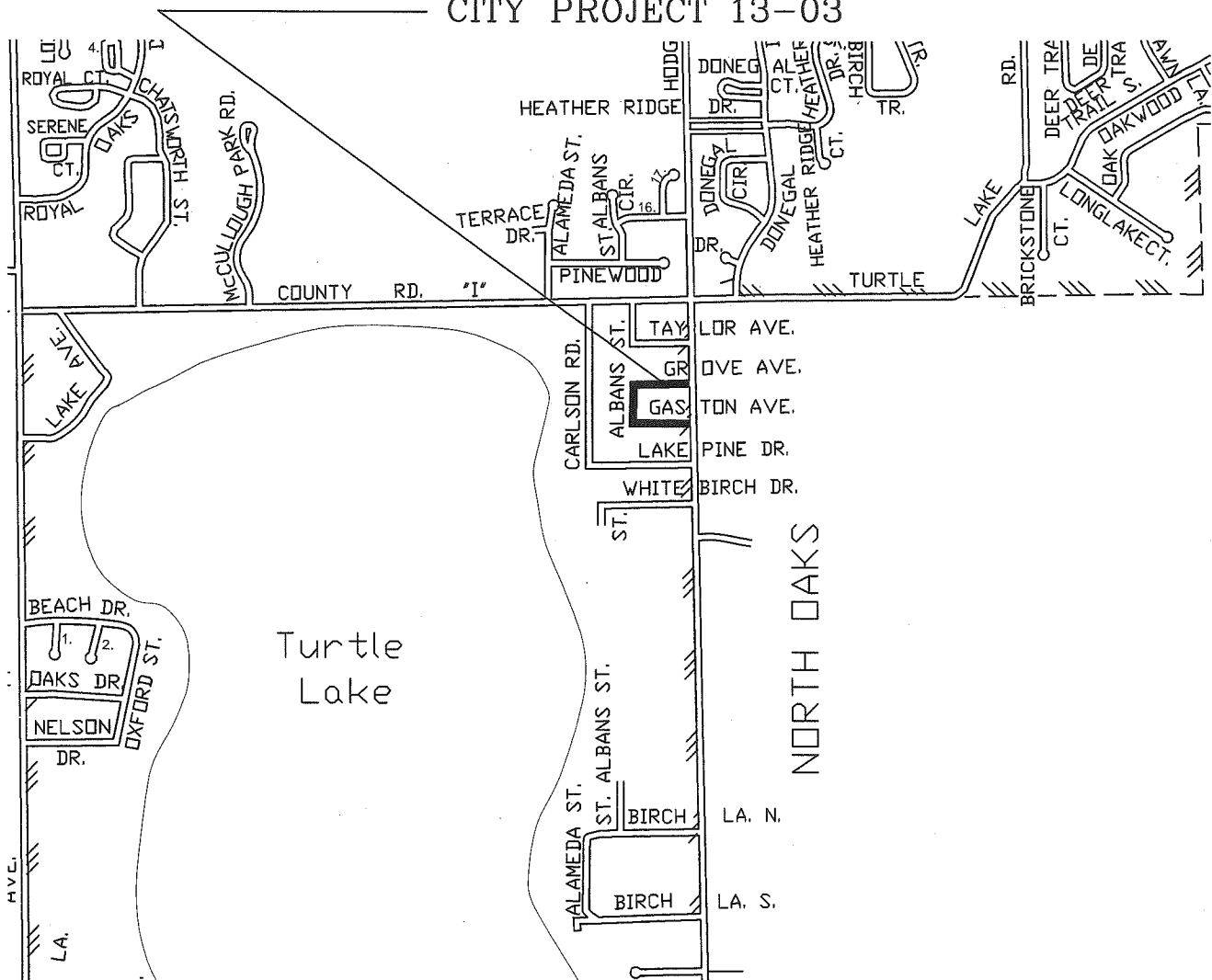
# Shoreview

## CITY OF SHOREVIEW

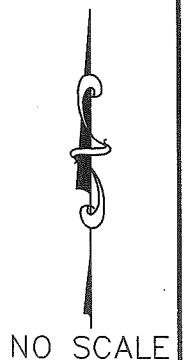
GROVE AVE. GASTON AVE.  
AND ST. ALBANS ST.

WATERMAIN EXTENSION

CITY PROJECT 13-03



LOCATION MAP  
EXHIBIT 1  
DECEMBER 2012



## **APPENDIX A**

### Cost Estimate

**ENGINEER'S ESTIMATE**

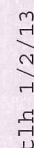
**GROVE, GASTON AND ST. ALBANS  
WATERMAIN EXTENSION  
CITY PROJECT NO. 13-03**

**WATERMAIN**

<b>ITEM NO.</b>	<b>ITEM</b>	<b>UNIT</b>	<b>ESTIMATED QUANTITY</b>	<b>UNIT PRICE</b>	<b>TOTAL COST</b>
2504.602	CONNECT TO EXISTING WM	EA	2.00	\$ 2,000.00	\$ 4,000.00
2504.603	6" WATERMAIN DIP CL 53	LF	25.00	\$ 45.00	\$ 1,125.00
2504.603	6" WATERMAIN CL DR11 HDPE-DIPS DIRECTIONALLY DRILLED	LF	1,100.00	\$ 42.00	\$ 46,200.00
2504.602	F & I HYDRANT (WB-67) & VALVE	EA	1.00	\$ 3,650.00	\$ 3,650.00
2504.602	6" GATE VALVE	EA	2.00	\$ 750.00	\$ 1,500.00
2504.602	1" CORPORATION	EA	14.00	\$ 225.00	\$ 3,150.00
2504.602	1" CURB STOP & BOX	EA	14.00	\$ 330.00	\$ 4,620.00
2504.603	1" COPPER TUBING	LF	420.00	\$ 28.00	\$ 11,760.00
2504.603	4" UTILITY INSULATION	SY	10.00	\$ 25.00	\$ 250.00
2504.608	HDPE FITTINGS CL DR11	EA	5.00	\$ 600.00	\$ 3,000.00
2575.505	RESTORATION	LS	1.00	\$ 10,000.00	\$ 10,000.00
<b>SUBTOTAL - WATERMAIN</b>					<b>\$ 89,255.00</b>
<b>10% ENGINEERING &amp; ADMIN.</b>					<b>\$ 8,925.50</b>
					<b>\$ 98,180.50</b>

## **APPENDIX B**

### **Proposed Assessments**



242.3 Feet

This map is a user generated static output from an Internet mapping site and is for reference only. Data layers that appear on this map may or may not be accurate, current, or otherwise reliable.

THIS MAP IS NOT TO BE USED FOR NAVIGATION

1:1,454





Date of Pending XXXX XX, 2013  
To be Assessed Sep 2014  
F =15 year assessment

GROVE-GASTON-ST ALBANS WATER  
PROJECT 13-03

ASSESSMENTS						Water			
Address		PIN		Units	\$/Lot Unit*	Source & Supply *	Total Water		
630	GASTON	AVE	113023110041	0.0 **	\$0.00	\$0.00	\$0.00	\$0.00	
635	GASTON	AVE	113023110047	0.0 **	\$0.00	\$0.00	\$0.00	\$0.00	
640	GASTON	AVE	113023110048	1.0	\$7,000.00	\$829.00	\$7,829.00	\$7,829.00	F
645	GASTON	AVE	113023110046	1.0	\$7,000.00	\$829.00	\$7,829.00	\$7,829.00	F
650	GASTON	AVE	113023110040	1.0	\$7,000.00	\$829.00	\$7,829.00	\$7,829.00	F
655	GASTON	AVE	113023110045	1.0	\$7,000.00	\$829.00	\$7,829.00	\$7,829.00	F
664	GASTON	AVE	113023110039	1.0	\$7,000.00	\$829.00	\$7,829.00	\$7,829.00	F
630	GROVE	AVE	113023110042	0.0 **	\$0.00	\$0.00	\$0.00	\$0.00	
635	GROVE	AVE	113023110031	0.0 **	\$0.00	\$0.00	\$0.00	\$0.00	
640	GROVE	AVE	113023110043	1.0	\$7,000.00	\$829.00	\$7,829.00	\$7,829.00	F
645	GROVE	AVE	113023110032	1.0	\$7,000.00	\$829.00	\$7,829.00	\$7,829.00	F
650	GROVE	AVE	113023110044	1.0	\$7,000.00	\$829.00	\$7,829.00	\$7,829.00	F
655	GROVE	AVE	113023110033	1.0	\$7,000.00	\$829.00	\$7,829.00	\$7,829.00	F
665	GROVE	AVE	113023110034	1.0	\$7,000.00	\$829.00	\$7,829.00	\$7,829.00	F
5435	ST ALBANS	ST	113023110038	1.0	\$7,000.00	\$829.00	\$7,829.00	\$7,829.00	F
5445	ST ALBANS	ST	113023110037	1.0	\$7,000.00	\$829.00	\$7,829.00	\$7,829.00	F
5455	ST ALBANS	ST	113023110036	1.0	\$7,000.00	\$829.00	\$7,829.00	\$7,829.00	F
5465	ST ALBANS	ST	113023110035	1.0	\$7,000.00	\$829.00	\$7,829.00	\$7,829.00	F
Total Assessable Units & Assessments				14.0	\$98,000.00	\$11,606.00	\$109,606.00		

\* Note - Source and Supply \$7.75 times average lot front footage.

\*\* Previously assessed for water in Project 78-5

## PROPOSED MOTION

MOVED BY COUNCILMEMBER \_\_\_\_\_

SECONDED BY COUNCILMEMBER \_\_\_\_\_

To designate the Shoreview-Arden Hills Bulletin as the legal newspaper for the City of Shoreview for the 2013 calendar year.

ROLL CALL:	AYES	NAYS
------------	------	------

Johnson	_____	_____
---------	-------	-------

Quigley	_____	_____
---------	-------	-------

Wickstrom	_____	_____
-----------	-------	-------

Withhart	_____	_____
----------	-------	-------

Martin	_____	_____
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Regular City Council Meeting  
January 7, 2013



**TO: MAYOR AND COUNCILMEMBERS**

**FROM: TERRI HOFFARD**  
**DEPUTY CLERK**

**DATE: DECEMBER 27, 2012**

**SUBJECT: DESIGNATION OF LEGAL NEWSPAPER FOR THE 2013**  
**CALENDAR YEAR**

### **INTRODUCTION**

The City Council is being asked to designate a legal newspaper for the 2013 calendar year.

### **BACKGROUND**

Minnesota Statute 412.831 states that “the council shall, annually at its first meeting of the year, designate a legal newspaper of general circulation in the city as its official newspaper, in which shall be published such ordinances and other matters as are required by law to be so published and such other matters as the council may deem it advisable and in the public interest to have published in this manner.”

Last year, the Shoreview-Arden Hills Bulletin was designated by the City Council as the city’s legal newspaper.

### **DISCUSSION**

Two quotes were submitted for the City Council’s consideration:

	<b><u>2012 rate</u></b>	<b><u>2013 rate</u></b>
Shoreview-Arden Hills Bulletin*	\$3.25 per column inch	\$3.25 per column inch
Shoreview Press	\$4.45 per column inch	\$4.60 per column inch

\* 2012 legal newspaper

In 2012, the city spent approximately \$1500 for the cost of publishing legal notices. The rates submitted by the Shoreview Press are about 41% higher than the Shoreview-Arden Hills Bulletin.

Last year, the Shoreview Press went to a bi-weekly publication schedule and staff feels that the Shoreview-Arden Hills Bulletin better suits the needs of the City regarding the placement of timely legal notices.

During the last eight years, the Shoreview-Arden Hills Bulletin was selected as the City’s legal newspaper in 2009 and 2012 and the Shoreview Press was selected as the City’s legal newspaper for 2005, 2006, 2007, 2008, 2010 and 2011.

## **RECOMMENDATION**

Staff is recommending that the City Council designate the Shoreview-Arden Hills Bulletin as the legal newspaper for the 2013 calendar year.

# Lillie Suburban Newspapers, Inc.

2515 E. Seventh Avenue  
North St. Paul, MN 55109  
(651) 777-8800

December 4, 2012

Terry Schwerm  
City Manager  
Shoreview City Hall  
4600 Victoria St. N.  
Shoreview, MN 55126-5817

Dear Mr. Schwerm:

Thank you for the opportunity to bid on public notice publication services for the City of Shoreview. The *Bulletin* has been serving the needs of the Shoreview area for 37 years, and is pleased to provide ongoing coverage of city government and school issues and community events.

Lillie Suburban Newspapers is the oldest weekly newspaper company in the St. Paul area. It was founded in 1938 by the late T. R. Lillie. His grandsons, Jeffery Enright and Ted H. Lillie, are continuing the family tradition of publishing award-winning community newspapers in the St. Paul suburbs.

It is our sincere desire to provide the best possible local news coverage in the Shoreview area. Our experienced news staff provides readers with a well-balanced, lively and informative product each week. We realize that Shoreview area residents look to the *Shoreview-Arden Hills Bulletin* as one of their primary sources of information about city activities and meetings, and we will continue to publish the city's press releases and photos.

The *Bulletin* has the official designation of the neighboring communities of Arden Hills and New Brighton, along with Mounds View School District 621.

3 P.M. Friday is the deadline each week for submitting public notices to our office. Public notices should be directed to Anne Thillen, Lillie Suburban Newspapers, 2515 E. Seventh Ave., North St. Paul, MN 55109. Our fax number is 651/777-8288. Notices may also be sent via e-mail to:

legals@lillienews.com

Legal publication rates for minutes, advertisements for bids and other notices are as follows:

\$3.25 per column inch for a one-time publication  
\$3.00 per column inch for each additional publication

Thank you for considering the *Shoreview-Arden Hills Bulletin* as the official legal newspaper for the City of Shoreview for 2013. If you have any further questions, don't hesitate to call us.

Sincerely,



Jeffery Enright  
Publisher



Ramsey County Review • Maplewood Review • Oakdale-Lake Elmo Review • Review Perspectives  
New Brighton Bulletin • Shoreview Bulletin • St. Anthony Bulletin • South-West Review  
Roseville-Little Canada Review • Woodbury-South Maplewood Review • East Side Review



4779 Bloom Ave., White Bear Lake, MN 55110 • Phone: 651-407-1200 • Fax: 651-429-1242

December 17, 2012

Ms. Terri Hoffard  
City of Shoreview  
4600 North Victoria Street  
Shoreview, MN 55126

Dear Ms. Hoffard:

The ***Shoreview Press*** wishes to be considered as your official newspaper for 2013.

We meet all the legal publication requirements under state statutes. Our circulation is audited by Verified Audit Circulation, an independent firm.

We prefer submittal of legal notices by mail, fax at (651) 429-1242, or e-mail your notices to [legals@presspubs.com](mailto:legals@presspubs.com) - clearly labeling them as "Legal Notices."

Since 2008 your rate has been \$4.45. Due to paper price increases and expenses, we are asking for \$4.60 per column inch, in 7-point type at 9-lines per inch.

Our deadline for legal notices for the ***Shoreview Press*** is every other Wednesday by 5:00 p.m. for the following Tuesday's publication.

We look forward to the opportunity to serve you. We welcome any questions or concerns you may have.

Sincerely,

A handwritten signature in black ink, appearing to read "Lisa Graber", written in a cursive style.

Lisa Graber  
Legal Notice Coordinator

## PROPOSED MOTION

**MOVED BY COUNCILMEMBER** \_\_\_\_\_

**SECONDED BY COUNCILMEMBER** \_\_\_\_\_

to reappoint the following individuals to their respective committees/commissions for terms expiring January 31, 2016:

<b>Bikeways and Trails Committee</b>	William Atkins Craig Mullenbach Jay Martin
<b>Economic Development Commission</b>	Joshua Wing Susan Denkinger Jeff Washburn
<b>Environmental Quality Committee</b>	Daniel Westerman Katrina Corum Michael Prouty
<b>Human Rights Commission</b>	Julie Williams Bob Minton Elaine Carnahan
<b>Lake Regulations Committee</b>	Steve Gallop
<b>Park and Recreation Commission</b>	Kent Peterson Desaree Crane
<b>Public Safety Committee</b>	Jorgen Nelsen Marc Pelletier Jeff Tarnowski Mendee Bayless-Tarnowski

ROLL CALL: AYES \_\_\_\_\_ NAYS \_\_\_\_\_

JOHNSON	_____	_____
QUIGLEY	_____	_____
WICKSTROM	_____	_____
WITHHART	_____	_____
MARTIN	_____	_____

Regular Council Meeting  
January 7, 2013

**TO: MAYOR AND COUNCIL**

**FROM: TERRI HOFFARD  
DEPUTY CLERK**

**DATE: DECEMBER 28, 2012**

**SUBJECT: REAPPOINTMENTS TO CITIZEN ADVISORY COMMITTEES  
AND COMMISSIONS**

### **BACKGROUND**

In January of each year, the City Council reappoints members to citizen advisory committees and commissions. It has been past practice to reappoint members that wish to continue serving on their respective committee or commission except for the Planning Commission. Planning Commission members need to reapply for their positions. When a member resigns or does not want to be reappointed, the vacancy is then advertised in the local newspapers. A press release advertising these vacancies was sent to the local newspapers and applications are being accepted until January 11, 2013.

### **DISCUSSION**

The following is a summary of the committee and commission members that are seeking reappointment.

#### **Bikeways and Trails Committee**

The terms of William Atkins, Craig Mullenbach and Jay Martin are expiring and all three members expressed an interest in being reappointed.

#### **Economic Development Commission**

Three members have terms expiring on January 31, 2013. Joshua Wing, Susan Denkinger and Jeff Washburn have all expressed an interest in serving another term.

#### **Environmental Quality Committee**

Three terms are expiring on January 31, 2013. Daniel Westerman, Katrina Corum and Michael Prouty would like to be reappointed for another term.

#### **Human Rights Commission**

The terms of Julie Williams, Bob Minton and Elaine Carnahan are expiring on January 31, 2013. They would all like to be reappointed.

**Lake Regulations Committee**

Three members have terms expiring on January 31, 2013. Arnie Hochhalter and Tommy Merickel do not wish to be reappointed. Steve Gallop has indicated his interest in serving another term.

**Park and Recreation Commission**

The terms of Kent Peterson and Desaree Crane are expiring on January 31, 2013. They have both expressed an interest in serving another term.

**Public Safety Committee**

The terms of Jorgen Nelsen, Marc Pelletier, Jeff Tarnowski and Mendee Bayless-Tarnowski are expiring on January 31, 2013. They have all indicated their desire to be reappointed.

**RECOMMENDATION**

It is recommended that the City Council consider the reappointments of the individuals listed on the motion sheet.

**PROPOSED MOTION**

**MOVED BY COUNCILMEMBER** \_\_\_\_\_

**SECONDED BY COUNCILMEMBER** \_\_\_\_\_

To appoint the following individuals to represent the City of Shoreview on various organizations for the year 2013:

**Fire Department Board of Directors**

Shoreview Board Members: \_\_\_\_\_  
\_\_\_\_\_

**Fire Department Benefit Association**

Delegate: \_\_\_\_\_  
Alternate: \_\_\_\_\_

**League of Minnesota Cities**

Delegate: \_\_\_\_\_  
Alternate: \_\_\_\_\_

**Municipal Legislative Commission**

Delegate: \_\_\_\_\_  
Alternate: \_\_\_\_\_

**North Suburban Communications Commission**

Delegate: \_\_\_\_\_  
Alternate: \_\_\_\_\_

**Northwest Youth and Family Services**

Delegate: \_\_\_\_\_  
Alternate: \_\_\_\_\_

**Ramsey County League of Local Governments**

Delegate: \_\_\_\_\_  
Alternate: \_\_\_\_\_



**Suburban Rate Authority**

Delegate: \_\_\_\_\_

Alternate: \_\_\_\_\_

**Metro Cities (Association of Metropolitan Municipalities)**

Delegate: \_\_\_\_\_

Alternate: \_\_\_\_\_

**Acting Mayor**

Delegate: \_\_\_\_\_

**ROLL CALL:    AYES                      \_\_\_\_\_ NAYS \_\_\_\_\_**

Johnson

\_\_\_\_\_

\_\_\_\_\_

Quigley

\_\_\_\_\_

\_\_\_\_\_

Wickstrom

\_\_\_\_\_

\_\_\_\_\_

Withhart

\_\_\_\_\_

\_\_\_\_\_

Martin

\_\_\_\_\_

\_\_\_\_\_

**TO: MAYOR AND COUNCILMEMBERS**

**FROM: TERRI HOFFARD**  
**DEPUTY CLERK**

**DATE: DECEMBER 27, 2012**

**SUBJECT: 2013 CITY COUNCIL APPOINTMENTS**

Each year, the City Council appoints representatives to serve as delegates to various organizations. While the City Council has typically designated Councilmembers as representatives, sometimes a staff member has been chosen.

Attached is a summary of each organization and the City Council's designated representatives during 2012. Although it is not listed in the Council appointments, it should be noted that Councilmembers Quigley and Withhart have established terms on the City's Economic Development Authority. None of their terms expire in 2013. Also attached is the Council's policy regarding the election of the Acting Mayor.

## **2012 COUNCIL APPOINTMENTS**

### **Lake Johanna Fire Department Board of Directors**

The seven-member Board of Directors is the governing body for the Lake Johanna Fire Department. The Board is responsible for hiring the fire chief, approving contracts, approving bills, and adoption of certain policies and procedures for the Department. The City of Shoreview has two members on the Board and Arden Hills and North Oaks have one member on the Board. Three members of the Board are elected by the membership of the Fire Department.

Shoreview Board Members: Terry Quigley  
Terry Schwerm

### **Fire Department Benefit Association**

The Association meets a few times each year to oversee fire pension business matters and review and approve any changes in pension rules or benefits.

Delegate: Terry Quigley  
Alternate: Ben Withhart

### **League of Minnesota Cities**

Provides lobbying, training, staff support, insurance, investment, research, and benefit programs. Annual conference is usually in June and legislative policies are adopted in November.

Delegate: Ady Wickstrom  
Alternate: Terry Quigley

### **Municipal Legislative Commission**

The Municipal Legislative Commission is a group of larger suburbs organized to lobby the Legislature on state aid, property taxes, and other legislative issues. In most cities, the Mayor serves as the representative to this organization. The City Manager serves on the MLC's operating committee and also attends all Board meetings. They normally meet three or four times per year.

Delegate: Sandy Martin, Terry Schwerm  
Alternate: Ben Withhart

### **North Suburban Communications Commission**

This Commission oversees franchise and other operating issues with the cable franchise with Comcast and also serves as the North Suburban Access Corporation that provides oversight and control of the public access portion of the cable franchise. The franchise covers a 10-city area including Shoreview. They generally meet monthly during the evening.

Delegate: Blake Huffman  
Alternate: Ady Wickstrom

### **Northwest Youth and Family Services**

This is a private non-profit agency that provides counseling and employment programs for youth and their families. This Board generally meets once a month.

Delegate: Blake Huffman

Alternate: Sandy Martin

### **Ramsey County League of Local Governments**

This organization consists of each of the local governments (city, county, and school district) in Ramsey County. They meet on a monthly basis. The meetings cover a variety of topics of interest to local governments.

Delegate: Ady Wickstrom

Alternate: Blake Huffman

### **Suburban Rate Authority**

This organization represents a large number of suburbs in utility rate and franchise issues including electric, gas, and telephone utilities. The Suburban Rate Authority meets quarterly. Since many of the issues involve items related to street lighting and water pumping utility rates, Public Works Director Mark Maloney has been attending the meetings.

Delegate: Mark Maloney

Alternate: Terry Quigley

### **Metro Cities (Association of Metropolitan Municipalities)**

This organization is a service and lobbying organization for cities in the metropolitan area. They are officed in the same building as the League of Minnesota Cities but the primary difference between the two is Metro Cities' involvement with the Metropolitan Council and the focus on metro issues.

Delegate: Ady Wickstrom

Alternate: Blake Huffman

### **Acting Mayor**

In accordance with State law, this must be done at the first meeting of the year. A member of the Council is chosen to serve as Acting Mayor to preside at meetings and otherwise act as Mayor when the Mayor is absent or unable to perform the duties of Mayor. The Council adopted a policy regarding the election of the Acting Mayor and according to those guidelines and the order of the rotation, it is Councilmember Wickstrom's turn to be Acting Mayor.

Acting Mayor: Blake Huffman

## **COUNCIL POLICY REGARDING THE ELECTION OF THE ACTING MAYOR**

### **Requirements and Purpose**

At its first meeting of the year, the City Council is required by State law to elect an Acting Mayor who shall perform the duties of the Mayor in the event of disability or the absence of the Mayor. The Acting Mayor will also serve in the role of the Mayor if there is a vacancy in the position, until a successor is appointed.

The purpose of this policy is to establish guidelines for the election of the Acting Mayor. It is the intent of the Shoreview City Council to establish a rotation for the Acting Mayor position to allow all Council members to serve in this role.

### **General Guidelines**

1. Council members being considered for Acting Mayor should have at least two years of experience on the Shoreview City Council.
2. The Acting Mayor shall be appointed by the City Council at the first Council meeting in January as required by State law.
3. Council members shall rotate the position of Acting Mayor on an annual basis.
4. The order of the rotation shall generally begin with the Council member who has the longest tenure (total years) on the City Council, followed by the Council member with the second longest tenure, etc. In the event that two council members have served the same amount of time on the Council, a coin flip will determine who initially will serve as Acting Mayor.